

HEALTH SCIENCE CENTER HANDBOOK OF OPERATING PROCEDURES

Chapter 2	General Policies and Procedures	Effective:	April 2000
Section 2.4	Administrative and Support Departments	Revised:	September 2015
Policy 2.4.2	Internal Audit & Consulting Services	Responsible Party:	Chief Audit Executive

INTERNAL AUDIT & CONSULTING SERVICES

Overview

The Office of Internal Audit & Consulting Services is an independent appraisal function responsible for monitoring the fiscal and administrative operations of the Health Science Center. The Office is sanctioned by the Board of Regents' *Rules and Regulations* and the Texas Internal Auditing Act.

The Chief Audit Executive for Internal Audit & Consulting Services reports directly to the President's Office. The functions of the Office are communicated to management through written audit reports of findings, recommendations, opinions, and conclusions.

Audits are performed in compliance with federal and state laws, The University of Texas System and Health Science Center policies and generally accepted auditing standards. While providing management information, audits are intended to provide documentation and constructive critique of operations to auditees.

Internal Audit Activities

The Office performs fiscal and administrative operations of the Health Science Center. This includes:

1. verification of financial data;
2. evaluation of procedures and controls;
3. documentation of fiscal and administrative methodologies.
4. follow-up on significant findings from previous audits;
5. special audits or reviews at the request of the President and management;
6. review of all operational areas for their stewardship of resources and compliance with established policies and procedures;

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7. review of internal administrative and accounting controls designed to safeguard resources and ensure compliance with laws and regulations;
 8. participation in manual and automated system process design as an advisor on internal controls, and operational efficiencies, and;
 9. investigation of reported fraud, embezzlement, theft, etc., and recommendation of controls to prevent or detect such occurrences.

Audit projects are scheduled by the Chief Audit Executive utilizing a risk based methodology, and are approved by the Health Science Center Audit Committee. Through the Chief Audit Executive, the Office staff is authorized to have full, free, and unrestricted access to all property, personnel, records (including medical) and functions at the Health Science Center.

External Financial Audits

The Chief Audit Executive is responsible for coordinating the activities of all external financial audits (e.g. annual financial report, State single audit and audits of financial awards and grants). If a department is contacted by an external audit agency, the agency should be referred to the Chief Audit Executive who will contact the appropriate levels of Health Science Center management to schedule the external auditor's financial audit engagement. External audits relating to regulatory or Compliance matters are the responsibility of the Office of Regulatory Affairs and Compliance.

Management Advisory Services

In addition to the performance of various audits, the Office also provides management advisory services to the institution. The Office has staff with experience, knowledge, and training in accounting, business, and administrative functions. Requests for management advisory services should be addressed in writing to the Chief Audit Executive or the President and Senior Executive Vice President/Chief Operating Officer.

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Fraud

Any fraud that is detected or suspected must be reported immediately to the Chief Audit Executive who is responsible for coordinating all investigations, both internal and external. See [Section 2.6.3](#), "Fraud, Abuse and False Claims Act", of the *Handbook for Operating Procedures (HOP)*.

You may also report suspected fraud and abuse via the ComplianceLine 1-877-507-7317 and/or to the State Auditor's Office hotline and Web site at 1-500-TX-AUDIT, <http://sao.fraud.state.tx.us>.
