

# LOUISIANA STATE UNIVERSITY AGRICULTURAL CENTER

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AG CENTER PS-3  
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## INTERNAL AUDITING POLICY

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### Purpose

To provide general policies and procedures for the internal auditing function within the LSU Agricultural Center.

### General Policy

All areas and units within the LSU Agricultural Center are subject to audit. Audits shall be conducted to assure the proper safeguarding of assets and to determine compliance with appropriate policies, procedures, rules, regulations and laws. Audits may be performed to determine the accomplishment of stated goals, to determine the reliability of reported information, and to assess the economy and efficiency of performance of units and individuals.

There will be three types of audits conducted:

- 1) *Financial* - to determine if financial ledgers and statements present accurately the financial position of the entity; and to determine if the financial operations of the entity are in accordance with generally accepted accounting practices.
- 2) *Compliance* - to determine if the audited entity is in conformity with the policies and procedures of the LSU Agricultural Center, the rules and regulations of the LSU Board of Supervisors, and the regulations and laws of the state and federal government.
- 3) *Operational* - to evaluate the cost, efficiency and effectiveness of an audited entity by assessing performance to identify opportunities for improvement.

An appropriate qualified employee of the Agricultural Center shall be appointed by the Chancellor to serve as Internal Auditor. Such individual, while conducting an authorized audit, shall be given access to all pertinent documents. All employees are expected to be cooperative in providing any requested information.

### Procedure

Audits will be assigned periodically by the Chancellor, as recommended by the appropriate Vice Chancellors and the Internal Auditor. Areas of high risk or concern may be assigned for frequent audit.

The Internal Auditor will submit a proposed audit plan to the Chancellor and, upon approval, will conduct an entrance interview with the appropriate auditee to discuss the area(s) to be examined. Audits will be conducted using standard audit procedures and findings will be documented by formalized work papers. At the conclusion of the audit, an exit interview will be conducted with the auditee where findings and recommendations will be reviewed. In conclusion, an audit report will be prepared by the Internal Auditor for the Chancellor, through the Assistant to the Chancellor.

The Chancellor will inform the appropriate Vice Chancellor of the audit findings. The Vice Chancellor will report to the Chancellor on all actions taken to correct any discrepancies discovered by the internal audit.

### **Audit Report**

The audit report will be divided into five (5) segments as follows:

- 1) *Background* - A brief description of the area being audited.
- 2) *Purpose and Scope* - An outline of the purpose of the audit and what the audit does and does not include.
- 3) *Findings* - A delineation of the actual results of the audit.
- 4) *Recommendations* - The specific recommendation of the auditor.
- 5) *Conclusions* - The auditor's overall synopsis of the audit.