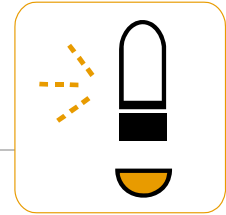


The STRAIGHT and NARROW

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Office of Internal Audit, Board of Regents of the University System of Georgia, (404) 657-2237



From the Desk of Ron Stark

Why Does My \$100 Item Need to be Bid?

FY2008 AFR is Complete!

Spotlight on Sally Carter and Karen LaMarsh

Sally Carter (pictured right) is a Wake Forest University graduate and has more than 20 years of experience in internal auditing. She has worked for Bank of America, Oxford Industries and Gold Kist, Inc. in Atlanta.

Sally's service to local and state government started in 1995 as auditor with Georgia Department of Audits. She has since worked at Georgia Public Library Service and Secretary of State's Business Regulation Division.

Carter, who earned masters' degrees in accounting and taxation from Georgia State University, is a CPA and Certified Information Systems Auditor.

Karen LaMarsh (pictured left) is

an Atlanta girl who received her undergraduate, B.S. in Health Systems, from Georgia Tech and her M.Ed. in Adult Education from the University of Georgia.

She comes to the Board of Regents from Kennesaw State University where she was the Director of Professional Development and Life Enrichment with the Continuing Ed division.

At KSU, she was instrumental in establishing policies and best practices. As the administrator for International Association for Continuing Education and Training (IACET) compliance at KSU, she also became an IACET com-

missioner helping to train organizations on adherence to IACET standards.
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Spotlight on Tracy Pinnock

Auditing Emergency Management: A Framework for Evaluating Risk

Auditors know that in a people business, risks to health and safety have a big impact. Catastrophic events can result in loss of life or property, disruption to campus mission and activities, financial loss and, in extreme cases, an inability for the institution to recover.

A Framework for Audit

The audit team at the University System of Georgia has developed a comprehensive audit program for reviewing emergency management at institutions of higher education. Based on the Federal Emergency Management Agency (FEMA) draft white paper, "Principles of Emergency Management"¹ (Principles), the audit program is created around eight broad principles. The Principles state that an emergency management program must be: 1) comprehensive, 2) progressive, 3) risk-driven, 4) integrated, 5) collaborative, 6) coordinated, 7) flexible and 8) professional.

Principle 1: Comprehensive

The Principles define a comprehensive program as one in which "emergency managers consider and take into account all hazards, all phases, all stakeholders and all impacts relevant to disasters."

Principle 2: Progressive

Progressive emergency management means that "emergency managers anticipate future disasters and take preventative and preparatory measures to build disaster-resistant and disaster-resilient communities." As the number and severity of disasters increase, it is important not simply to wait to respond to conditions, but to understand the unique exposure faced at your institution and what is being done

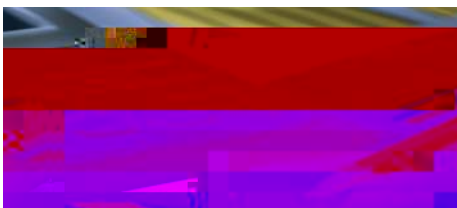
Internal Audit Department Best Practices

The Office of Internal Audit is currently conducting a quality assurance review of most of our campus internal audit departments. The purpose of the review is to assess the internal audit structure, compliance with professional audit standards, level of internal audit activity, and the value of internal audit contributions to our institutions. We are currently half-way through and anticipate finishing by late February.

Here are some best practices that we would like to share. These include in part:

- Understanding that internal auditing is an objective assurance and consulting activity designed to add value and improve campus operations. Assurance can be in any area – compliance (internal and external), operational/ financial/ information technology risks and controls.
- Developing an annual audit plan that utilizes a risk-based methodology that includes risks and internal control concerns identified by campus management and staff.
- Developing an internal audit charter that defines the authority, responsibilities, and scope of the internal audit department.
- Submitting audit reports that clearly communicate the auditor’s opinion regarding internal control, identifies significant control issues and provides recommendations that are realistic.
- Evaluating the adequacy and timeliness of management’s response to, and the corrective action taken on significant issues.
- Reporting periodically on the status of the current year plan and sufficiency of department resources.
- Ensuring the selection, development and supervision of competent and professional audit staff.
- Striving to meet the International Standards for the Practice of Internal Auditing established by the Institute of Internal Auditors.
- Continuing the pursuit of education related to internal auditing.
- Keeping management informed of emerging trends and best practices in internal auditing.
- Assisting in the investigation of significant suspected fraudulent activities.

At the conclusion of our review, a consolidated report will be issued to those campuses where a review was conducted. Additionally, campus-specific memos will be issued. We will highlight additional best practices in future editions of the Straight and Narrow.



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