



**WEST VIRGINIA DIVISION OF ADMINISTRATIVE SERVICES
AGENCY POLICY STATEMENT**

SUBJECT: INTERNAL AUDIT UNIT

INDEX NUMBER: 142.00

EFFECTIVE DATE: February 7, 2025

PURPOSE: To establish and maintain an Internal Audit Unit program. to provide a level of assurance that processes and internal controls are operating as designed, ensure the Division's objectives are met, and comply with the requirements of applicable law, rule, and policy.

REFERENCE: West Virginia Code §15A-2-1, et seq. Division Policy Statement 140.00 "*Internal Controls Program.*" Definitions from the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA).

RESPONSIBILITY: The Internal Auditor is delegated the authority to issue a Unit Manual, staff notices, and other written instructions related to the Internal Audit Unit program.

CANCELLATION: Any previous written or verbal instruction on this subject.

APPLICABILITY: All employees. This Policy Statement is available for general distribution and is not exempt from Freedom of Information Act requests.

DEFINITIONS:

Independence: The freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner.

Objectivity: An unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgment on audit matters to others.

Conflict of Interest: Any relationship that is, or appears to be, not in the best interest of the Division or a customer agency. A conflict of interest would prejudice an individual's ability to perform his or her duties and responsibilities objectively.

POLICY:

- I. **Purpose:** The Internal Audit Unit (hereinafter "IAU") is created under the Director's statutory powers and duties as set forth in West Virginia Code §15A-2-2. The IAU's purpose is to provide a level of assurance that processes and internal controls are

operating as designed, ensure the Division's objectives are met, and comply with the requirements of applicable law, rule, and policy.

II. Role:

- A. The IAU provides a level of independent and objective assurance services designed to add value and improve the agency's operations. IAU helps the agency accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
- B. Internal Consultations: From time-to-time another Division unit or section may seek to engage the IAU to perform an internal consulting engagement. There may be occasions when the IAU's knowledge, or one of their previously completed audits, means they have useful information which may take another unit or section some time to obtain resulting in a lengthier engagement time and higher cost to the Division.
- C. The IAU may provide internal audit service support to State agencies outside of the Department of Homeland Security (hereinafter DHS) as directed by the Director, DHS Cabinet Secretary, or Office of the Governor.

III. Authority:

- A. The Internal Auditor plans and administers the IAU audit program, for example, develops an annual internal audit plan for review by the Agency Director, develops and implements a unit manual to serve as a guide for IAU employees, and supervises and directs the work of IAU employees.
- B. The IAU is authorized full, free, and unrestricted access to all Division records, physical properties, and personnel pertinent to carrying out its duties. The IAU will maintain strict accountability for confidentiality and safeguarding records and information which is obtained. All employees are required to assist the IAU in fulfilling its roles and responsibilities.
- C. To ensure objectivity, the Internal Auditor should develop Accountant/Auditor assignments to ensure potential and actual conflicts of interest are avoided.
 - 1. Accountant/Auditors should not be assigned to provide assurance services for a business activity of the Division for which that employee had responsibility within the previous year unless approved by the Agency Director. This rule is to prevent "auditing your own work".
 - 2. Accountant/Auditors should report to the Internal Auditor any situations indicating a possible conflict of interest for review by the Agency Director.

