DEPARTMENT OF HUMAN SERVICES POLICY AND PROCEDURES		
Reference: 03-04	**Effective Date: August 5, 2013** **Revision Date: August 5, 2013**	**Page 1 of 1**
SUBJECT: DHS Internal Audit Role		
RATIONALE: The objective of this policy is to define the role of the Bureau of Internal Review and Audit (BIRA) as defined in UCA 63I-5-401.		

A. MISSION AND SCOPE OF WORK

The mission of internal auditing is to provide independent, objective assurance and consulting services designed to add value and improve the organization's operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The scope of work of internal auditing is to determine, on an as needed basis within the scope of the projects requested, whether the organization's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed.
- Interaction with the various oversight groups occurs as needed.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Employee's actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected.
- Programs, plans, and objectives are achieved.
- Quality and continuous improvement are fostered in the organization's control process.

Opportunities for improving management control, efficiency, program effectiveness, and the organization's image may be identified during audits. They will be communicated to the appropriate level of management.

B. INDEPENDENCE

To provide for the independence of internal auditing, its personnel report to the internal audit director, who reports administratively to the Department Executive Director and functionally to the Department Deputy Director.

C. RESPONSIBILITY

The internal audit director shall:

- Develop a flexible annual audit plan using appropriate risk-based methodology, including any risks or control concerns identified by management, and periodically discuss that plan with the Department Executive Director for review and approval. The following categories of risk shall be used as a guideline (they may be changed as needed) to prioritize projects:

- Risk 1 - must be done as soon as possible as it poses an immediate risk of loss or problem to DHS.
- Risk 2 - should be done when resources allow but risk is over time and no immediate complaint.
- Risk 3 - There is a low impact to the risk and a lack of pervasiveness among department practices, but this risk is imminent, though limited in scope.
- Risk 4 - could be done when resources allow but risk is uncertain; BIRA is acting as management consultant.
- Risk 5 - operational issues that may be solved by management alone, or by a combination of audit and management working together when resources allow.

- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter.
- Establish a quality assurance program by which the internal audit director assures the operation of internal auditing activities.
- Maintain the confidentiality of Department records and audit work product where appropriate.
- Work with the Attorney General's Office and other outside enforcement agencies.
- Perform consulting services, beyond internal audit's assurance services, to assist management in meeting its objectives. Examples may include facilitation, process design, training, and advisory services.
- Issue reports to the Department Executive Director and management summarizing results of audit activities.
- Assist in the investigation of significant suspected fraudulent activities within the organization or of individuals or organizations providing services to the Department, and notify management of the results.
- Comply with the Utah Internal Auditing Act (attached to this charter).
- Perform other audits as requested by management.

As resources allow, the internal audit director may also:

- Perform audits of efficiency and effectiveness of programs and operations.
- Evaluate and assess new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- Consider the work of the external auditors, as appropriate, for the purpose of providing optimal audit coverage to the organization at a reasonable overall cost.

D. AUTHORITY

The internal audit director and staff of internal auditing are authorized to:

- Have unrestricted access to all functions, records, property, and personnel.
- Have full and free access to the Department Executive Director.
- Allocate resources, set frequencies, select subjects, determine scope of work, and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel in units of the organization where they perform audits, as well as other specialized services from within or outside the organization.

The internal audit director and staff of internal auditing are not authorized to:

- Perform any operational duties for the organization or its affiliates.
- Initiate or approve accounting transactions external to the internal auditing department.

- Direct the activities of any organization employee not employed by the internal auditing department, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.
- Make policy or business management decisions for the Department.

E. STANDARDS OF AUDIT PRACTICE

The Bureau of Internal Review and Audit will meet or exceed *Generally Accepted Government Auditing Standards* (GAGAS). The office may also refer to *International Standards for the Professional Practice of Internal Auditing* of The Institute of Internal Auditors.

Palmer DePaulis 8/5/13

Palmer DePaulis Date
Executive Director, Department of Human Services