

Frequently Asked Questions

What is the difference between the audit services provided through PSU's Internal Audit Office (IAO) and external auditors that audit PSU?

IAO employees are PSU employees and IAO works specifically to help PSU achieve its mission and objectives. Internal auditors at PSU are dedicated to helping colleagues by providing independent assessments specific to PSU's needs, and also offers consulting services and trainings to improve internal controls and risk mitigation processes at PSU.

Periodically, PSU has external auditors that conduct a variety of audits at the university. External auditors are not PSU employees, but are granted access to review records and interact with personnel within the scope and objectives of their audit engagement.

Three mandatory audit projects that are conducted each year by external auditors are the:

- 1) Financial Statement Audit
- 2) Single Audit
- 3) NCAA Agreed Upon Procedures Engagement

In addition to these three mandatory audits at PSU, PSU may be audited periodically by organizations such as the Secretary of State – Oregon Audits Division, the Office of Inspector General, grantors, and/or organizations tasked with laws and regulations relating to health, safety, environmental requirements, and animal welfare.

How do you decide what to audit?

Audit topics are identified as part of an annual risk assessment the Internal Audit Office (IAO) conducts. The primary goal of the annual risk assessment is to identify audit topics that will provided value to PSU's governance processes and will provide reasonable assurance on the operating effectiveness of key operations at PSU. See the annual PSU Internal Audit Plan at <https://www.pdx.edu/internal-audit/> for more details on how audit topics are selected.

What is a risk assessment?

A risk assessment serves as a tool for management to share concerns about factors that may prevent the university from meeting its objectives. Auditors gather information that helps to assess risks in generally understood classifications such as high-risk, moderate risk, or low-risk events to the university as a whole. IAO considers multiple factors when assessing risk such as internal and external factors, the likelihood of a negative event occurring and the severity that event would have to PSU if it were to occur, trends within finances over a multi-year time period, and time elapsed since the last time an audit has occurred. IAO then works with the governance structure at PSU to collaborate on next steps to address the results of the risk assessment. The results are used to develop an annual internal audit plan which is vetted through leadership and approved by the President of PSU and the Board of Trustees.

Who audits the PSU Internal Audit Office?

PSU's Internal Audit Office must go through an external peer review every 5 years to comply with the International Standards for the Professional Practice of Internal Auditing Standards. The results of the peer review are shared with the President of PSU and members of the Executive and Audit Committee. Moreover, IAO may be selected for an audit by external organizations such as:

- Secretary of State – Oregon Audits Division;
- An external audit firm hired by PSU; and/or
- Federal agencies like the Office of Inspector General

What authority does the Internal Audit Office have?

The Internal Audit Charter, which was approved by the PSU Board of Trustees, defines the purpose, authority, and responsibility of the PSU Internal Audit Office (IAO). The charter grants the IAO full and complete access to any of the University's records, physical properties, and personnel.

Does PSU Internal Audit have authority for the PSU Foundation?

No, the PSU Foundation is a separate entity from PSU. The PSU Internal Audit Office must obtain authorization from the PSU Foundation before conducting any assurance and/or consulting services for operations and/or transactions processed through the PSU Foundation.

Can I request to have an internal audit performed of my department and/or a process I would like some assurance on even if my department was not selected on the annual audit plan?

Yes, you can make a formal request to the Director of Internal Audit, after you have obtained approval to submit the request from your supervisor (i.e. Dean, Director, etc...). The request will be reviewed by the Director of Internal Audit and President of PSU and a decision on the request will be communicated back to appropriate personnel. Due to finite resources, IAO may not be able to accommodate the request in the timeframe requested.

Does the department have an opportunity to respond to audit findings and recommendations?

Yes, internal audit observation updates are provided to applicable management on a monthly basis. Throughout the audit project, management has the ability to provide further records and/or updated information to IAO to help address initial audit observations denoted. In addition, management must provide a management response to all formal recommendations made at the audit Exit Conference. This response is included in the final audit results provided to applicable management, the President of PSU, and the members of the Executive and Audit Committee of the Board of Trustees.

What standards do internal auditors follow?

- International Standards for the Professional Practice of Internal Auditing Standards
- Institute of Internal Auditors Code of Ethics
- Committee of Sponsoring Organizations of the Treadway Commission