



## PROCEDURE FOR CONDUCTING INTERNAL AUDITS OF FUNDED PROGRAMS

### GUIDELINES FOR INTERNAL AUDITS\*

- Programs need to be audited periodically as part of the Commission's risk management.
- Contractors will receive at least one internal audit on a fiscal year that falls within their approved funding cycle.
- Programs will be stratified by initiative, program size, and agency type. Each year, a cross-section of programs will be selected.
- Periodic fiscal reviews will also be conducted allowing for timely identification of any issues. Generally, funded programs will receive at least one periodic review within their funding cycle, although additional reviews may be conducted as needed.

\* *This audit is not intended to substitute an agency's use of an independent auditor to perform an audit.*

### IMPLEMENTATION PLAN

- At the beginning of each funding cycle, the total number of programs to be audited will be determined and a plan will be developed to assure each contractor receives an internal audit during the funding cycle. In general, the number of audits to be performed each year will be evenly distributed over the funding period. For example, if 30 programs are funded over a five year period, then approximately 5-6 programs need to be audited each year. This number may be adjusted based on risk assessments or if additional programs are funded.
- Periodic fiscal reviews will also be conducted and are targeted to new contractors, contractors that have not yet completed an annual fiscal review or those that may have had issues with a recent fiscal review.