New Mexico State University
Office of Audit Services
Strategic Plan

MISSION

Audit Services supports New Mexico State University in pursuing its land grant mission of providing comprehensive programs of education, research, extension education and public service to New Mexico’s diverse population by promoting accountability, integrity, compliance and efficiency in all University operations.

VISION

Audit Services is dedicated to providing management with independent, objective assurance and consulting services designed to add value and improve operations, and to assist the university community accomplish its objectives through a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

PRINCIPLES

Consistent with the Code of Ethics of The Institute of Internal Auditors, the professional staff is expected to uphold and apply the fundamental principles of Integrity, Objectivity, Confidentiality, and Competency in carrying out the Audit Services mission.

Integrity – The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgment. Internal auditors are expected to demonstrate personal and professional honesty and respect the rights, values and contributions of others.

Objectivity – Internal auditors are expected to exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors are expected to make a balanced assessment of all relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

Confidentiality – Internal auditors are expected to respect the value and ownership of information they receive and not disclose information without appropriate authority, unless there is a legal or professional obligation to do so.

Competency – Internal auditors are expected to apply the knowledge, skills, and experience needed in the performance of internal audit services.
a. Establish and maintain a library of current audit books and software tools.
b. Encourage staff development and commit resources to providing continuing professional education.
c. Encourage and maintain expectation for professional staff to acquire graduate degrees and/or professional certifications.
d. Hire and retain an IT audit professional.
e. Obtain needed expertise by employing the services of outside providers where necessary.

2. Ensure that internal audits are properly planned and supervised, and that auditors comply with professional standards of conduct.
a. Provide appropriate instruction, oversight and review.
b. Maintain open lines of communication.
c. Request client feedback on auditor performance.

3. Recruit auditors that are skilled in dealing with people and in effective communication.
a. Utilize appropriate interview questions and techniques.
b. Conduct thorough background and reference checks on potential hires.

GOAL – Effectively manage the Internal Audit Activity to ensure that it adds value to the organization.

Strategies:
1. Establish risk-based plans to determine the priorities of the internal audit activity, consistent with the university’s goals.
a. Conduct and/or facilitate high-level risk assessments on a periodic basis.
b. Maintain ongoing communication with and obtain input from senior management and the board of regents on the audit plan.
c. Ensure that resources are sufficient to achieve the audit plan, and communicate any resource limitations to senior management and the board.

2. Provide written policies and procedures to guide the audit staff in the proper planning and execution of audits, and establish a program for selecting and developing the human resources of the department.
a. Enhance the audit process by standardizing procedures as well as using automated tools to minimize labor-intensive aspects of auditing.
b. Document internal policies with regard to graduate classes, bonuses for professional certifications, etc.

3. Coordinate efforts with external auditors to ensure proper coverage and minimize duplication.

4. Establish and maintain a quality assurance program to evaluate the internal audit activities conformance to the Standards.
a. Conduct periodic internal assessments.
b. Have an external quality assurance review/assessment once every 5 years, and report results to senior management and the board.
c. Use post-audit surveys and questionnaires to obtain input from clients about the audit experience.
d. Benchmark Audit Services against other college & university internal audit functions.
In order to accomplish its mission, New Mexico State University must be responsive to the needs and maintain the confidence of its diverse constituencies, including its faculty and staff, students, alumni, community members, elected officials, and granting agencies. The Office of Audit Services provides valuable support in maintaining this confidence by performing independent and objective reviews, identifying strengths and weaknesses, and providing recommendations for preventive measures, corrective actions and enhancements to aid the university in being an excellent steward of all resources dedicated to achieving its vision.

In order to support NMSU in meeting its vision of being a premier university, Audit Services determines whether the university’s network of risk management, control and governance processes are adequate to ensure that: 1) Risks are appropriately identified and managed; 2) University policies and procedures, and external laws and regulations are followed; 3) Resources are acquired economically, used efficiently and are adequately protected; 4) Significant financial, managerial and operational information is accurate and reliable; and 5) Program objectives are achieved and are consistent with University objectives.

**LIVING THE VISION ORIENTED GOALS & STRATEGIES**

The goals listed are consistent with The Institute of Internal Auditors’ International Standards for the Professional Practice of Internal Auditing.

**GOAL** – Promote objectivity of the internal audit function through organizational independence and independence from activities audited.

**Strategies:**

1. Ensure that the organizational status of the Office of Audit Services is sufficient to permit the accomplishment of its objectives.
   a. Maintain administrative reporting responsibility to the President, and functional reporting responsibility to the Board of Regents, through educating senior management and the board with regard to best practices in modern internal auditing and enlisting their support.

2. Ensure that auditors have no ownership or authority over areas to be audited in order to facilitate objectivity in the performance of audits.
   a. Audit staff may serve in advisory roles on committees and councils, but are not allowed to vote on matters of policy or take operational responsibility in the performance of tasks.
   b. Require disclosure of any potential conflict of interest by audit staff, in fact or appearance, and schedule assignments accordingly.

**GOAL** - Perform audit engagements with proficiency and due professional care.

**Strategies:**

1. Ensure that the collective technical proficiency and educational background of the internal audit staff is appropriate for the engagements performed and that auditors possess or obtain the knowledge and skills needed to carry out responsibilities, including the ability to evaluate the risk of fraud and key information technology risks.
GOAL - Evaluate and contribute to the improvement of the University’s governance, risk management and control processes.

Strategies:
1. Assess whether the governance process accomplishes the objectives of promoting ethical values, ensuring accountability and communicating risk and control information.
2. Determine whether organizational objectives align with the mission, significant risks are identified and managed, risk responses align with risk appetite, and risk information is communicated across the organization.
   a. Assist in facilitating enterprise risk management.
3. Evaluate risk exposures and contribute to improvement regarding reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets, potential for fraud, and compliance with laws, regulations and contracts.
   a. Develop internal control questionnaires that departments can use for self-assessment purposes, and training programs emphasizing internal controls, risk management and fraud awareness.
   b. Be available to assist in an advisory capacity in system development and re-engineering efforts.
4. Report audit results to appropriate levels of management and the board.
   a. Ensure that recommendations are reasonable and cost-effective.
   b. Follow-up, to ascertain whether appropriate action is taken on reported audit findings.
   c. Communicate instances where senior management has accepted a level of residual risk that may be unacceptable to the organization.