

APPLICABILITY	
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NUMBER **DOC 120.120**

POLICY

INTERNAL AUDIT

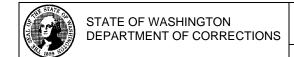
REVIEW/REVISION HISTORY:

Effective: 7/26/04
Revised: 4/11/07
Revised: 5/14/08
Revised: 7/19/10
Revised: 3/26/12
Revised: 7/1/15
Revised: 10/17/24

Department of Corrections

SUMMARY OF REVISION/REVIEW:

Major changes to include updated terminology and	roles and responsibilities. Read carefully!
APPROVED:	
Signature on file	
	9/26/24
CHERYL STRANGE, Secretary	Date Signed



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REFERENCES:

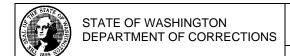
DOC 100.100 is hereby incorporated into this policy; RCW 43.09.185; RCW 43.88.160; RCW 72.65.210; Information Systems Audit and Control Association's Information System Audit and Assurance Standards; Institute of Internal Auditors' Code of Ethics; Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing; State Administrative and Accounting Manual (SAAM) 20.20; Washington State Auditor's Office General Loss Reporting Policy

POLICY:

- I. The Department will establish and maintain an Internal Audit Program.
 - A. Services provided by the Audit Office will be in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.
 - B. Information systems audits will be conducted per the Information Systems Audit and Control Association's Information System Audit and Assurance Standards.
- II. The Audit Office will provide independent, objective assurance, and professional analyses of selected operations to:
 - A. Assist employees/contract staff in effectively performing their official duties,
 - B. Prevent, detect, and respond to fraud, loss, or illegal activities, and
 - C. Improve the effectiveness of risk management, internal controls, and governance processes.

DIRECTIVE:

- I. General Responsibilities
 - A. To provide for the independence of the Audit Office, the Audit Director/Ethics Advisor will report directly to the Secretary and administratively to the Assistant Secretary for Employee and Business Support Services.
 - B. Employees assigned to the Audit Office will:
 - 1. Have an impartial and unbiased attitude and avoid/mitigate actual and potential conflicts of interest.
 - 2. Adhere to the Institute of Internal Auditors' Code of Ethics.
 - 3. Be authorized free and unrestricted access to all relevant Department functions, records, property, and personnel in the course of official duties.



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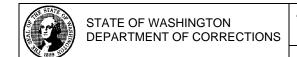
4. Monitor and document the status of assigned corrective action plans and notify the Audit Director/Ethics Advisor when all actions have been completed.

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- 5. Provide services/consultations when approved by the Audit Director/Ethics Advisor.
 - a. These requests will be included in the annual audit plan when possible.
 - b. Final reports will be tailored to each individual request and may be written or verbal.
- C. If an employee's independence or objectivity is impaired in fact or appearance, the employee will disclose the details of the impairment to the Audit Director/ Ethics Advisor, who will determine appropriate action.
- II. Loss of Public Funds or Property and Illegal Activity
 - A. Employees will notify the Audit Director/Ethics Advisor immediately of known or suspected loss of public funds/property or illegal activity related to fraud/loss using DOC 05-001 Report of Fraud/Loss.
 - 1. The Appointing Authority will notify the Audit Director/Ethics Advisor of updates and the final disposition of the investigation.
 - 2. Records relating to the loss or illegal activity will be preserved until the investigation is complete.
 - B. The Audit Director/Ethics Advisor will report known or suspected loss of public funds/property or illegal activity to the State Auditor's Office per the General Loss Reporting Policy. Significant losses will be reported to the Secretary.

III. Internal Audits

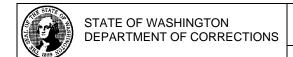
- A. Internal audits will address at least one of the following Department objectives:
 - 1. Employees, contract staff, and volunteers comply with policies, standards, procedures, and applicable laws and regulations.
 - 2. Significant financial, managerial, and operating information is accurate, reliable, and timely.
 - 3. Resources are acquired economically, used efficiently, and protected effectively.



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- 4. Department goals, plans, and objectives are achieved, and performance measures are met.
- B. Audit employees will develop an audit plan itemizing audits scheduled and resources needed for the upcoming fiscal year. The Secretary and Deputy Secretary will approve the plan before implementation.
 - 1. The Assistant Secretary for Employee and Business Support Services may approve amendments to the plan.
- C. The Audit Director/Ethics Advisor will issue an audit report at the completion of each audit, which will be sent to the Secretary, Deputy Secretary, Assistant Secretaries, and employees/contract staff responsible for the system, process, or information audited. The report may be distributed more widely as necessary.
- D. The Audit Director/Ethics Advisor will report to the Secretary, Deputy Secretary, and Assistant Secretaries when corrective action has not been completed 12 months after the final report is issued.
- E. At the end of each year, the Audit Director/Ethics Advisor will report to the Secretary, Deputy Secretary, and Assistant Secretary for Employee and Business Support Services on completed work.
- IV. Operation Review Audits for Prisons and Reentry Centers
 - A. The Audit Director/Ethics Advisor or designee will oversee operation review audits to determine compliance with Department policy, protocols, standards, and state laws and regulations. This includes:
 - 1. Developing audit tool checklists
 - 2. Collaborating with stakeholders
 - 3. Developing an annual audit schedule
 - B. The Audit Director/Ethics Advisor will provide a draft report at the completion of each audit to the Superintendent/Reentry Center Manager.
 - The Superintendent/Reentry Center Manager must respond within 10 business days to address any findings or concerns identified in the draft.
 - C. The final report will be submitted to the Deputy Secretary and the following as applicable:
 - 1. Assistant Secretary
 - 2. Deputy Assistant Secretary
 - 3. Reentry Center Administrator



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- 4. Reentry Center Operations Administrator
- 5. Superintendent/Reentry Center Manager
- 6. Additional stakeholders as needed
- D. Assigned audit employees will coordinate with facility employees monthly to review the status of corrective action plans until completion.

DEFINITIONS:

Words/terms appearing in this policy may be defined in the glossary section of the Policy Manual.

ATTACHMENTS:

None

DOC FORMS:

DOC 05-001 Report of Fraud/Loss