



UNIVERSITY OF  
**ALBERTA**

## **INTERNAL AUDIT SERVICES**

### **STRATEGIC BUSINESS PLAN**

APRIL 2007 – MARCH 2011



**I N T E R N A L**  
**A · U · D · I · T**  
**S E R V I C E S**

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## **1. EXECUTIVE SUMMARY**

In December 2005 Internal Audit Services (IAS) submitted a strategic plan that focused on refining the services for which IAS should be known, including its core service of internal auditing and its secondary service of examining alleged fraud/irregularities. To achieve our objectives, IAS set out to enhance the internal audit function by: acquiring the appropriate resources through recruitment and contracting, investing in appropriate technology, defining and communicating its role to key stakeholders, and ensuring professional practices and innovations are applied in audit processes.

Many of the objectives set out in that earlier plan have been accomplished or are underway. We continue on that path as IAS strives to be an internal audit function that thrives on innovation, scholarship and partnership, particularly in the areas of its mandate: the realm of risk, controls and governance processes. This focus ensures that IAS can effectively deliver value-driven services to a dynamic and complex organization such as the University of Alberta.

To that end, in the upcoming years, IAS intends to:

- solidify the foundation for the provision of effective delivery of audit services;
- serve the University and the Board Audit Committee with high-quality professional internal audit products; and
- model and promote high standards of ethics, conduct and fiduciary responsibility within the University.

While not at the core of the University's vision and mission, a successful internal auditing function will help the institution demonstrate good stewardship, good governance and effective administrative practices, all of which are elements of a transformative organization.<sup>1</sup> IAS is committed to ensuring it meets its key stakeholders' needs in this regard. This will be accomplished through demonstrating professionalism, objectivity and flexibility. Our ultimate goal is that IAS is viewed as a trusted advisor in the areas of internal control, risk management, and governance.

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<sup>1</sup> From *Dare to Discover: A Vision for a Great University*.

## 2. INTRODUCTION

The past year has been one of transition for the internal audit function at the University. There has been a 50% staff turn-over, methodologies and approaches have been refined, and the co-sourcing model for use of external resources has been changed. Through this transition the goal of IAS has remained the same – to provide senior administration and the Board Audit Committee with objective, effective information designed to add value and improve the effectiveness of governance, risk management and control processes.

Over the next four years, IAS plans to continue to improve its service delivery through the adoption of efficient technologies and a strong continuous improvement program. We also intend to further our knowledge of other audit and compliance activity undertaken at the University. We are conscious that IAS must be flexible enough to respond to requests for special investigations as well as to shift our priorities should risks emerge that may affect the organization's ability to meet its objectives. IAS cannot manage the risks directly, but it can play a role by maintaining a flexible audit approach and a dynamic audit plan.

*A properly structured internal audit function can bring tremendous value to an organization, impacting not just regulatory compliance but also operational excellence.*

Optimizing the Role of Internal Audit in the  
Sarbanes-Oxley Era, Deloitte.  
August 2005

### 2.1 Assumptions

In preparing its four-year strategic plan, IAS made the following assumptions:

- The Board Audit Committee will set the tone and direction for the internal audit function. The internal audit charter, audit plan and this business plan, once approved by the Board Audit Committee, will guide internal audit at the University of Alberta.
- Senior management will support the development of an effective internal audit function by including IAS in key meetings relevant to audit, and allowing full access to all functions, records, property, and personnel; and external stakeholders' demands for the University to demonstrate sound stewardship and good governance will not diminish in the near future. Internal audit will play a fundamental role in demonstrating that effective oversight, based on sound risk management practices, is in place.

### 2.2 Vision

#### *Strategically Focused Internal Audit Services*

In its contribution to the institution's vision, Internal Audit Services will be recognized as a leader among internal audit departments across the Canadian post-secondary sector.

### 2.3 Mission

The mission of Internal Audit Services is guided by the standards of the profession, specifically: to evaluate and improve the effectiveness of risk management, control and governance processes within the University of Alberta.

## 2.4 Values

IAS is committed to supporting the values and ethics of the institution and the internal auditing profession and will be characterized by a dedication to excellence demonstrated through:

*Internal Auditing is defined as an independent, objective, assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.*

*International Standards for the Professional Practice of Internal Auditing, the Institute of Internal Auditors, January 2004*

### ***Integrity***

IAS will work to establish trust and thus provide a basis for reliance upon our judgment.

### ***Objectivity***

IAS will exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Assessments will be balanced.

### ***Confidentiality***

IAS will respect the value and ownership of information received and not disclose information without appropriate authority unless there is a legal or professional obligation to do so.

### ***Competency***

IAS will apply the knowledge, skills and experience needed in the performance of its internal auditing services.<sup>2</sup>

## **3. CORE ACTIVITIES**

IAS delivers its core activities under two main service lines – internal auditing and examining alleged fraud or irregularities. These services, although very different in approach and result, require the skills and independence residing in internal audit, and are complementary. There are also four audit-related activities where IAS continues to play a supporting role: liaison with external audit groups; continuous auditing; risk management; and institutional compliance. IAS will conduct its work employing the appropriate elements of the “International Standards for the Professional Practice of Internal Auditing”, as set forth by the Institute of Internal Auditors<sup>3</sup>. The following is an overview of these services and the principles IAS will adopt in the delivery of these services in the University.

### 3.1 Internal Auditing

IAS will provide two primary auditing services to the organization in keeping with professional standards: assurance services and consulting services.

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<sup>2</sup> Based on the principles outlined in the Institute of Internal Auditors' Code of Ethics, January 2004.

<sup>3</sup> The Institute of Internal Auditors' Research Foundation. *The Professional Practices Framework*, January 2004.

### ***Assurance Services***

Assurance services form the mainstay of internal auditing as they most directly support the governance responsibilities of management and the Board of Governors. Assurance services involve the internal auditor's objective assessment of evidence to *provide independent opinions or conclusions regarding a process, system or other subject matter.*

The provision of assurance is achieved through a variety of audit products, including security reviews, financial audits, compliance audits, operational audits, information technology audits, etc. Areas for audit, as well as the audit focus, will be determined based on a risk assessment process.

An in-depth audit planning process will be undertaken every two years, with the plan formally revisited annually. The audit plan will be presented for Board Audit Committee approval annually. Also, should areas for audit be identified throughout the year, recommendations for amendments to the plan will be brought to the Chair of the Board Audit Committee.

IAS strives to provide reasonable assurance in the conduct of audit work, i.e., sufficient evidence will be gathered during the audit to reduce the risk of audit error and to support the conclusions reached. IAS refers to "reasonable assurance" rather than "absolute assurance," as absolute assurance, just like zero risk, is an unreasonable and likely unattainable goal.

### ***Consulting Services***

While it is evident that care must be taken to preserve objectivity, internal auditors are well positioned to provide advice on matters of risk and control.<sup>4</sup>

The development of internal control checklists to support financial reporting is an example of a consulting project. Examples of the types of other consulting work that could be undertaken include: commenting on draft policies and procedures, and advice regarding applications controls for systems under development.

Requests from administrative areas for IAS assistance are expected as efforts to design or assess specific control systems are undertaken. If IAS involvement is considered to be of value and the request is in keeping with our mandate, we will endeavour to be of service. However, before undertaking any consulting work, we will evaluate whether the internal audit team has the ability to perform the work.

Consulting services generally are conducted between management and IAS. However, given that this work may be of interest to the Board Audit Committee:

- approval will be sought for projects that require significant resources;
- a summary of consulting activity will be provided to the Committee for information; and
- significant risk management, control or governance concerns identified through the course of consulting will be communicated to senior management and the Committee.

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<sup>4</sup> The ultimate decisions surrounding the design of specific controls and the acceptance of risk will always be a management responsibility. Risk management, control frameworks and governance are all management's responsibility. Internal Audit plays a part in promoting effective practices in these areas.

### 3.2 Examining Suspected Fraud and Irregularities

Under the *Fraud Policy - Reporting & Response to Incidents of Fraud or Irregularity* and related procedures, Internal Audit Services is identified as having the primary responsibility for examinations of suspected fraudulent acts or irregularities as defined in the policy.

In conducting examinations IAS will follow the procedures as outlined in this policy and will inform senior management and the Board Audit Committee accordingly. IAS will also comply with investigative requirements as set out by the Association of Certified Fraud Examiners in the conduct of this work.

Within the context of this service line, IAS will continue to streamline and develop procedures regarding the prioritization of examinations. This will include:

- reviewing the intake procedures in internal auditing (e.g. how we handle calls and protect the identity of those coming forward);
- working with key partners in the University to promote effective fraud prevention programs; and
- assisting, where needed, to promote the implementation of the *Ethical Conduct Policy*, which is currently in draft.

### 3.3 Related Activities

In addition to the two service lines noted above, IAS expects to play a role in the areas described below, as they allow IAS to develop a better understanding of the control environment and will aid in the provision of assurance to management and the Board Audit Committee.

### 3.4 Liaison with External Auditors

Internal audit has an interest in knowing what auditing activity is underway within the University, particularly regarding:

- Office of the Auditor General - While the objectives of internal and external audit differ, the interest in internal control is shared.<sup>5</sup> Both the OAG and IAS would like to ensure that work is not duplicated and will continue to work together to ensure that audit work is effective and efficient.
- Other external audit groups or agencies such as: Tri-Council, Alberta Ingenuity, Canada Revenue Agency, Workers' Compensation Board, Canadian Heritage and the Canadian Nuclear Safety Commission all send auditors to assess compliance with a myriad of legislation and agreements. In the past two years IAS has made some progress in developing an understanding of all audit activity within the University of Alberta, but sees a need to have more formal consolidation and analysis of audit results, particularly as IAS is being called upon more frequently by external audit groups to provide information to support external audits.

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<sup>5</sup> As the external auditor, the Office of the Auditor General, or its agent, is key to verifying the financial information provided to stakeholders. The primary focus of the annual audit is around the accuracy of the University's financial statements.

Working with other internal audit functions - IAS would also like to continue to build a strong network with other internal audit groups, particularly within the Alberta public sector, and with other post-secondary institutions in Alberta and Canada. The goal would be to leverage the collective experience to improve and promote the audit profession at the University, across the province, and in the broader internal audit community.

### 3.5 Continuous Auditing

In the past year, IAS has increased its capacity and knowledge to use data analytics in its project-based work. We have also developed a strategy to capture and use data in the University's financial systems to allow us, within the upcoming year, to conduct trend analysis and comparisons, detail transaction analysis, and testing of controls through data-driven indicators.

In addition to enhancing our use of technology and analysis in our audit projects and plans, our intention is to continue the development of these analytic tools, in consultation with the administration, and encourage their use in key administrative areas such as purchasing, payroll and finance. We have the support of senior management to leverage the use of its tools to strengthen the control environment of the University.

### 3.6 Risk Management

The Accountability and Risk Management Steering Committee has been instrumental in developing the framework for Enterprise Risk Management within the University of Alberta. As risk management is directly linked to the IAS mandate, the Director of Internal Audit Services sits as an observer on the steering committee.

It is expected that this role will continue and that the steering committee will be informed that internal audit is available to promote risk management in the organization. Also, as internal auditors are expected to assess the adequacy and effectiveness of risk management practices, this area will be formally reviewed as part of this strategic planning cycle.

### 3.7 Institutional Compliance

The University has an obligation to its staff, students and to the community to ensure compliance with legislative requirements. Programs of institutional compliance have been developed, therefore, in several areas of the University, including health and safety, human research ethics, animal welfare, and research administration, to name a few.

Within the next four years, IAS plans to develop a solid understanding of ongoing activity in this area. Where appropriate, IAS will place reliance on the work undertaken in these areas when developing an opinion regarding the state of internal controls.

The additional activities of liaison with external auditors, continuous auditing, risk management and compliance relate directly to IAS' goal of providing value-added services. The information gathered will also allow IAS to provide more comprehensive information to the Board Audit Committee with respect to the effectiveness of risk management, control and governance processes.

#### **4. AREAS OF EXCELLENCE**

Board Audit Committee members and University senior administrators value IAS for:

- the objectivity of its staff;
- the ability to respond effectively to potential allegations of fraud and irregularity;
- the independence provided through the group's organizational reporting lines; and
- proficiency in the area of internal control.

The Office of the Auditor General of Alberta also relies on IAS for its work. Other external auditors and their agencies are increasingly relying on IAS as well.

#### **5. FORCES OF CHANGE**

In developing this plan, it is acknowledged that IAS is heavily influenced by its environment, particularly by events within the University, the Provincial and Federal governments, and the profession itself.

##### 5.1 Trends in the University

***Growth and Complexity*** -- The University of Alberta, as one of Canada's leading teaching and research universities, serves more than 37,000 students, has consolidated annual revenues and expenditures in excess of \$1.1 billion, and is rapidly expanding its capital portfolio with approved construction projects worth over \$600 million. Also in developing its strategic vision, University leaders have set a solid pace for growth.

The complexity and diversity of the institution, its collegial governance system, and the constraints surrounding administrative resources as a result of funding pressures, pose distinct challenges for auditors. Auditors must be aware that some traditional control structures are ineffective in managing the risks of such an organization. Moreover, IAS is challenged to keep abreast of what is happening within the University, as it has a significant effect on how IAS can best serve the needs of the institution as it evolves.

##### ***Fraud Policy – Reporting & Response to Incidents of Fraud and Irregularity*** --

The introduction of a protected disclosure policy for wrongdoing also has the potential to increase demands for work in this area. IAS will be challenged to ensure that efficient and effective reviews of allegations are undertaken, while continuing to deliver on its core assurance mandate.

## 5.2 Trends in the Profession

**Professional Standards** -- The Institute of Internal Auditors is currently revising their professional practices framework, which includes the definition of internal auditing, a code of ethics, international standards for the profession, and guidance documents. These have been adopted by IAS; therefore, any significant changes would cause us to revisit our methodologies and practices.

**Building and Sustaining Audit Capacity** -- Internal auditing continues to be among the top five specialized skills most sought after in the financial community today. In Alberta, the mean compensation for an internal auditor is \$99,807 (U.S.) up 6.8% from the previous year.<sup>6</sup>

Compensation in Alberta is the highest in the country (second highest is Ontario which is \$13,000 (U.S.) less).

IAS has tried to ensure it attracts highly qualified, experienced auditors. Those that joined the function in the past two years were not attracted by salary but by other factors such as the diversity of the work and work environment. If these components change, it will be difficult to retain and recruit good staff.

## 5.3 Trends in government

**Office of the Auditor General (OAG) of Alberta** -- In 2005, the OAG's review of internal audit at the University of Alberta identified significant opportunities for improvement. Should the issues identified not be addressed, IAS runs the risk of limiting the reliance that is placed on audit work. The external quality assessment review proposed by IAS and endorsed by the Board Audit Committee should alleviate concerns.

**The Federal Government** -- The new Federal Accountability Act gives the Auditor General of Canada "discretionary authority to inquire into the use of funds that individuals, institutions and companies receive under a 'funding arrangement' with any federal department, agency or Crown corporation".<sup>7</sup> This potential introduces another level of auditing to the University of Alberta, though it is unlikely that the above mentioned authority will be invoked without concerns being raised. In addition, there is a push to ensure federal funds are also 'followed' by internal audit groups in all federal agencies and departments. Auditing clauses in government contracts may be exercised more frequently.

*The success of internal audit functions will be driven, in large part, by its people and their capabilities. The overall demand for accounting, finance and audit professionals is unlikely to lessen significantly, as there will be an ongoing need for companies to meet regulatory requirements and emphasize governance. Demographic forces also will keep demand high.*

*Top Priorities for Internal Audit in a Changing Environment,  
Protiviti Inc, 2006.*

*[There is a] growing pressure on internal audit to follow the money to ensure grants, contributions and loans to organizations outside the government are used appropriately.*

*Notes for remarks by Michael Eastman, Executive Director, CCAF-FCVI Inc. to the Conference on Best Practices in Internal Audit for the Public Sector, December 14, 2006*

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<sup>6</sup> *The Internal Auditor Job Market 2005-2006, A Comprehensive Review of Salaries, Staff Sizes, Director Statistics and Attitudes*, Thomas H. Oxner, Ph.D., CPA and Karen M. Oxner DBA, CPA, IIA Research Foundation, 2006.

<sup>7</sup> Association of the Universities and Colleges of Canada Update May 2006, p. 5.

## 6. STRATEGIC INITIATIVES, OBJECTIVES, STRATEGIES AND PERFORMANCE MEASURES

Internal audit initiatives and objectives are primarily linked to the *Dare to Discover* cornerstone Transformative Organization and Support – specifically “Establish high standards of service based on best practices to achieve and maintain good stewardship of financial resources and capital assets” and “promoting administrative effectiveness and good governance...” Should the objective also support another cornerstone, it will be noted.

### Initiatives for both internal audit and investigative services

<b>STRATEGIC INITIATIVE 1: <i>Solidifying the foundation for the provision of effective delivery of IAS’ mandate.</i></b>			
<b>Objectives</b>	<b>Strategies</b>	<b>Key Strategic Initiative Performance Measure(s)</b>	<b>Targets</b>
1.1 Sustain capacity. <sup>8</sup>	<ul style="list-style-type: none"> <li>• Develop an effective retention and succession plan for IAS.</li> <li>• Explore use of student internships.</li> <li>• Revisit the procurement strategy for contracting specialized audit resources when the first term of the current supply arrangement ends in June 2009.</li> </ul>	<ul style="list-style-type: none"> <li>• Succession plans in place for known upcoming vacancies.</li> <li>• Lower than industry average turn-over.</li> </ul> <p><b>Intended Outcome</b></p> <ul style="list-style-type: none"> <li>• <i>Audit has sufficient and appropriate human resources to fulfill its mandate.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All professional staff certified.</li> <li>• Supply arrangement renewed as required.</li> </ul>
1.2 Promote and uphold professional standards.	<ul style="list-style-type: none"> <li>• Participate in benchmarking activities to keep abreast of “best practices.”</li> <li>• Ensure that the internal audit charter, standards and methodologies mirror professional and University requirements.</li> <li>• Engage an external group</li> </ul>	<ul style="list-style-type: none"> <li>• Audit Charter reviewed by the Board Audit Committee annually.</li> <li>• Satisfaction of the Board Audit Committee and senior management regarding internal audit services.</li> </ul> <p><b>Intended Outcomes</b></p> <ul style="list-style-type: none"> <li>• <i>Audit services that comply with professional standards.</i></li> <li>• <i>The Board Audit Committee and senior management</i></li> </ul>	<ul style="list-style-type: none"> <li>• External Quality Assurance indicates compliance with Professional Standards by August 2007.</li> <li>• Presentation of benchmarking results/performance annually to the Board</li> </ul>

<sup>8</sup> Undertaken in keeping with the cornerstone Talented People – “Recruit and retain the best staff by fostering a culture of excellence within a healthy and safe workplace, providing progressive career opportunities and rewarding leadership and outstanding accomplishments”.

<b>STRATEGIC INITIATIVE 1: <i>Solidifying the foundation for the provision of effective delivery of IAS' mandate.</i></b>			
<b>Objectives</b>	<b>Strategies</b>	<b>Key Strategic Initiative Performance Measure(s)</b>	<b>Targets</b>
	to conduct a review of audit practices.	<i>have confidence in their internal audit function.</i>	Audit Committee.
1.3 Increased use of enabling technology to enhance audit and investigative efficiency.	<ul style="list-style-type: none"> <li>• Increase use of computer-assisted audit techniques to support audit planning, audits and, examinations.</li> <li>• Standardize system for audit management and recommendations tracking</li> <li>• Implement continuous auditing strategy.</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced use of technology in audit planning, audits and examinations.</li> <li>• Analytics developed to monitor effectiveness of key controls identified through the internal control self-assessment project as well as industry-standard continuous auditing processes.</li> <li>• More effective audit and recommendations tracking implemented (internal audit external audit results).</li> </ul> <p><i>Intended Outcomes</i></p> <ul style="list-style-type: none"> <li>• <i>Reduced time spent on audit project administration.</i></li> <li>• <i>Increased assurance through the use of analytics (better sampling techniques and monitoring of “red flags”) through use by IAS and analysis made available to key administrative units.</i></li> </ul>	<ul style="list-style-type: none"> <li>• New electronic audit package implemented in 2007/08.</li> <li>• Continuous audit strategy implemented for payroll and contracting in 2007/08 with further application in upcoming years.</li> </ul>
1.4 Create effective audit partnerships to foster sharing and create opportunities for efficiencies <sup>9</sup>	<ul style="list-style-type: none"> <li>• Improve internal communications.</li> <li>• Improve external communications with partners in the Internal Audit Community (post-secondary institutions, government audit groups, and professional associations).</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced communication regarding IAS and audit process for senior management.</li> <li>• Work with internal compliance groups in the University (e.g. Payroll, Supply Management Services, Research Services Office) to ensure compliance work is effective.</li> <li>• Identify areas that may benefit from joint audit work with other post-secondary institutions and collaborate with their internal audit function to gain efficiencies.</li> </ul>	<ul style="list-style-type: none"> <li>• Improved feedback from Board Audit Committee and Senior Management (OAG findings as the baseline)</li> <li>• Partnerships maintained with other audit groups (provincial network, other post-secondary)</li> </ul>

<sup>9</sup> Undertaken to support the cornerstone of Connecting Communities – “**Building strong partnerships** with the capital region, the **cities of Edmonton** and Camrose and rural Alberta communities, and **all levels of government** in order to fulfill our responsibility as Alberta’s university, a leader on the national stage with global connections.”

<b>STRATEGIC INITIATIVE 1: <i>Solidifying the foundation for the provision of effective delivery of IAS' mandate.</i></b>			
<b>Objectives</b>	<b>Strategies</b>	<b>Key Strategic Initiative Performance Measure(s)</b>	<b>Targets</b>
	<ul style="list-style-type: none"> <li>• Work with OAG officials to coordinate audit activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Revisit website to ensure it is an effective communication vehicle.</li> </ul> <p><b><i>Intended Outcomes</i></b></p> <ul style="list-style-type: none"> <li>• <i>Continued ongoing communication with the Board Audit Committee and senior management.</i></li> <li>• <i>Enhanced awareness of the role and value of internal audit.</i></li> <li>• <i>More cooperative – internal audit initiatives in Alberta.</i></li> <li>• <i>Increased emphasis on risk management and controls within the University.</i></li> </ul>	<p>institutions, the City of Edmonton, Institute of Internal Auditors, Certified Fraud Examiners and the Institute of Information Systems Auditors).</p>

### Pertaining to Internal Auditing

<b>STRATEGIC INITIATIVE 2: Serve the University and Board Audit Committee with high-quality professional internal audit products.</b>			
<b>Objectives</b>	<b>Strategies</b>	<b>Key Strategic Initiative Performance Measure(s)</b>	<b>Target</b>
2.1 Develop a risk-based audit plan.	<ul style="list-style-type: none"> <li>Develop long-term (two year) audit plan for approval annually.</li> </ul>	<ul style="list-style-type: none"> <li>Risk-based audit plan approved.</li> </ul> <p><b>Intended Outcomes</b></p> <ul style="list-style-type: none"> <li>Effective focusing of audit resources on higher risk areas.</li> <li>Greater understanding and focus on risk within the University.</li> </ul>	<ul style="list-style-type: none"> <li>Plan provided for approval of the Board Audit Committee prior to May annually.</li> </ul>
2.2 Execute the risk-based audit plan.	<ul style="list-style-type: none"> <li>Complete IAS' audit engagements.</li> <li>Work in cooperation with various stakeholders to map audit and compliance work already underway in order to develop an understanding of current audit coverage (e.g. Health &amp; Safety, Finance, Research Services Office).</li> <li>Develop an approach to allow for an opinion to be provided regarding the overall state of internal control.</li> </ul>	<p><i>Risk-based assessments of:</i></p> <ul style="list-style-type: none"> <li>risk management strategies and processes in the areas identified;</li> <li>internal control strategies, structures, processes (including information technology) within the processes selected; and</li> <li>governance processes, including effective communication of information and coordination of accountabilities within the areas identified.</li> <li>Strong understanding of changing Canadian standards/expectations regarding the development of an opinion of internal control.</li> </ul> <p><b>Intended Outcomes</b></p> <ul style="list-style-type: none"> <li>The Board Audit Committee receives the support and assurance services it requests.</li> <li>Senior management receives the information they need from audit to help improve operations in the areas noted above.</li> <li>Audit services comply with professional standards.</li> <li>Within the University risks are effectively managed, effective controls are in place and governance processes are strong.</li> </ul>	<ul style="list-style-type: none"> <li>+85% of the annual audit plan completed.</li> <li>Commencing in 2008, annual reporting, including a summary of all audit work undertaken in the University</li> <li>IAS working towards an opinion regarding internal control within this strategic planning period.</li> <li>Improved feedback from Board Audit Committee and senior management (OAG findings as the baseline).</li> </ul>

**Pertaining to Examining Alleged Fraud and Irregularities**

***STRATEGIC INITIATIVE 3: To model and promote high standards of ethics, conduct and fiduciary responsibility within the University.***

Objectives	Strategies	Key Strategic Initiative Performance Measure(s)	Target
3.1 Continuously improve the University's processes with respect to the detection, prevention, and examination of alleged fraud/irregularities.	<ul style="list-style-type: none"> <li>• Assist in the communication of the <i>Ethical Conduct Policy</i>.</li> <li>• Formalize Internal Audit's processes with respect to protected disclosure, e.g. intake of calls under the Fraud and Irregularity Policy.</li> <li>• Support ongoing education sessions, as required, with respect to fraud prevention.</li> </ul>	<ul style="list-style-type: none"> <li>• Revised Fraud/Irregularities response procedures approved and implemented.</li> <li>• Formalized intake mechanisms for protected disclosure.</li> <li>• Internal Audit Services' internal methodology and processes standardized.</li> </ul> <p><b><i>Intended Outcomes</i></b></p> <ul style="list-style-type: none"> <li>• <i>Increased awareness of protected disclosure and related policies.</i></li> <li>• <i>Clear and transparent processes for reviewing alleged fraud/irregularities.</i></li> <li>• <i>Deterrents with respect to fraud and related activity.</i></li> <li>• <i>Enhanced controls, where required, to prevent recurrence of irregularities.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Efficient and timely investigations compared to available benchmarks.</li> </ul>