

**PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION**

**OFFICE OF INTERNAL AUDIT AND RISK ASSESSMENT  
ADMINISTRATIVE DIRECTIVE 1991-06.02**

***Procedures for Conducting Limited Scope Reviews***

**I. Proactive Limited Scope Reviews**

- A. The Director of the Office of Internal Audit and Risk Assessment shall identify specific business processes or financial information for review with a purpose of ensuring compliance with statutes, regulations and policies. The project will also include an assessment on the economy, efficiency and effectiveness of the audited area or operation.
- B. The Director shall announce the Office of Internal Audit and Risk Assessment's intention to conduct a limited scope review in writing with the appropriate State System personnel responsible for the area or operation. The Chair of the Audit Committee of the Board of Governors and the Chancellor shall be copied on the correspondence.
- C. The communication shall include a request to designate a liaison to the Office of Internal Audit and Risk Assessment to serve as a point-of-contact during the course of the assignment.
- D. Office of Internal Audit and Risk Assessment staff, working with the appointed liaison, shall make requests for applicable documents and information, as necessary, and schedule interviews with appropriate personnel to discuss issues related to the project.
- E. At the conclusion of the assignment, the Office of Internal Audit and Risk Assessment shall meet with the appointed liaison to communicate any findings or concerns and discuss suggested recommendations for enhancing and improving existing controls, procedures and/or operations.
- F. A formal memorandum to the Chancellor, with copies to the Chair of the Audit Committee, and other appropriate State System officials shall be issued to convey the results of the limited scope review.

## **II. Communicating Other Concerns**

- A. Significant issues and/or concerns regarding non-compliance with statutes, regulations, and policies; safeguarding of assets; and abuse or misuse of System resources, etc. brought to the attention of the Director of the Office of Internal Audit and Risk Assessment shall be conveyed by memorandum to the Chancellor with a copy to the Chair of the Audit Committee.
- B. The correspondence shall outline the expressed concern and associated risks, as well as offer the professional services of the Office of Internal Audit and Risk Assessment to provide any additional assistance in conducting a special project review, if deemed appropriate and/or necessary by either the Chancellor or Chair of the Audit Committee.