



STATE OF WASHINGTON  
DEPARTMENT OF CORRECTIONS

APPLICABILITY  
**DEPARTMENT WIDE**

REVISION DATE  
7/1/15

PAGE NUMBER  
1 of 5

NUMBER  
**DOC 120.120**

## **POLICY**

TITLE

**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

### **SUMMARY OF REVISION/REVIEW:**

Added Deputy Secretary and Chief of Staff references throughout  
IV.D.1. - Adjusted that corrective action plans for Prison operations inspections will be submitted within 10 working days of receipt of the draft inspection report  
IV.D.2. - Added the Assistant Secretary for Health Services to those receiving the final inspection report  
Added IV.E. on corrective action plan follow up  
V.A.3. & B. - Removed unnecessary language

### **APPROVED:**

Signature on file


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**BERNARD WARNER**, Secretary  
Department of Corrections

5/26/15

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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](#)

## POLICY:

- I. The Department will establish and maintain an Internal Audit Program. All 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. All 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 Department management with objective, professional analyses of selected operations to assist employees/contract staff in effectively performing their official duties.
- III. Employees assigned to the Audit Office will adhere to the Institute of Internal Auditors' Code of Ethics.
- IV. In carrying out their responsibilities, audit employees will be authorized free and unrestricted access to all relevant Department functions, records, property, and personnel.

## DIRECTIVE:

- I. Independence and Objectivity
  - A. To provide for the independence of the Audit Office, the Audit Director/Ethics Advisor will report directly to the Chief of Staff.
  - B. Employees assigned to the Audit Office will be objective in performing their work. They should have an impartial and unbiased attitude, and will avoid actual and potential conflicts of interest.
  - C. If an employee's independence or objectivity is impaired in fact or appearance, s/he will disclose the details of the impairment to the Audit Director/Ethics Advisor, who will notify the appropriate parties as necessary.


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## II. Loss of Public Funds or Property

- A. Employees will notify the Audit Director/Ethics Advisor immediately of known or suspected loss of public funds or property.
  1. Audit employees may participate in or conduct any investigation concerning the suspected loss of public funds or property. The appropriate Appointing Authority and the Audit Director/Ethics Advisor will agree on the nature and extent of audit employee involvement.
  2. Department employees investigating the suspected loss of public funds or property will provide regular updates to the Audit Director/Ethics Advisor and will inform him/her of the final disposition of the investigation.
- B. The Department will report known or suspected loss of public funds or property to the State Auditor's Office.

## 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.
  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, Deputy Secretary, and Chief of Staff will approve the plan before implementation.
  1. The Chief of Staff may approve amendments to the plan.
  2. At the end of each fiscal year, the Audit Director/Ethics Advisor will report to the Secretary, Deputy Secretary, and Chief of Staff on completed work.
- 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, Chief of Staff, Assistant Secretaries, and employees/contract staff responsible for the system,

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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, Chief of Staff, and Assistant Secretaries when corrective action has not been completed 12 months after the final report is issued.

#### IV. Operations Inspections for Prisons

- A. The Audit Office will schedule and conduct facility operations inspections to determine compliance with Department policy and state laws and regulations.
- B. The Headquarters Operations Review Coordinator will oversee facility operations inspections. This includes:
  - 1. Working with designated facility employees/contract staff to develop inspection procedures and protocols to be used by inspection teams,
  - 2. Developing an annual inspection schedule, and
  - 3. Serving as Team Leader on operations inspections.
- C. Deputy Directors, Superintendents, and the Assistant Secretary for Health Services will designate facility employees/contract staff who have a thorough understanding of policies and practices to participate in operations inspections.
- D. The Audit Director/Ethics Advisor will issue a report at the completion of each inspection.
  - 1. The Superintendent will prepare and submit a corrective action plan within 10 working days of receipt of the draft report to address issues identified in the report, if necessary.
  - 2. The final report will be submitted to the Secretary, Deputy Secretary, Chief of Staff, Assistant Secretaries for Prisons and Health Services, Deputy Directors, and Superintendent. The report will also be posted on InsideDOC.
- E. Follow up on implementation of corrective actions plans may be conducted between facility visits when necessary.

#### V. Operations Inspections for Work Releases by Community Corrections Division

- A. The Work Release Oversight Program Administrator will oversee Work Release operations inspections. This includes:
  - 1. Developing procedures and protocols to be used by inspection teams,

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2. Developing an annual inspection schedule, and
3. Selecting employees/contract staff to participate in operations inspections with the approval of the appropriate Community Corrections Supervisor (CCS).

B. At the completion of each inspection, the Work Release Oversight Program Administrator will submit a report to the Assistant Secretary for Community Corrections, Work Release/Residential Program Administrator, CCS, and contracted agency.

1. The CCS and/or contracted agency will prepare a corrective action plan within 30 days to address issues identified in the report, if necessary.

#### VI. Consulting and Other Services

- A. As time and resources allow, the Audit Office may provide consulting services or perform special audits or investigations when requested by a member of the Executive Leadership Team.
- B. The nature and extent of consulting or other services will be agreed upon in advance by the Audit Director/Ethics Advisor and the party requesting the service. These requests will be included in the annual audit plan when possible.
- C. Final reports for these services may be written or verbal, and will be tailored to each individual request.

#### DEFINITIONS:

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

#### ATTACHMENTS:

None

#### DOC FORMS:

None