



State of Oklahoma
Employees Group Insurance Division (EGID)
A Division of the Office of Management and Enterprise Services

Internal Review and Audit Evaluation

Effective Date of Policy: 10-29-13	Next Scheduled Review: 7-1-14
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Last Reviewed: 10-29-13	Replaces Policy Number: OSEEGIB 302, 303
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Approved: Frank Wilson	Approval Date: 10-29-13

POLICY

EGID shall maintain an active internal review and audit function. Codification of standards for the professional practice of internal auditors is part of this policy by reference. EGID management shall maintain a procedure to respond to audit findings and recommendations in a timely manner.

PURPOSE

The examination and evaluation of the adequacy and effectiveness of the organization's system of internal control and the quality and efficiency of performance in carrying out assigned responsibilities.

IMPLEMENTATION:

1. Responsibilities
 - a. The Director of Internal Audit assigned to EGID shall be responsible for the maintenance of EGID's Policies and Procedures. The Internal Audit Department is an independent function within EGID staffed by the Performance and Efficiency Division of OMES, and reports findings directly to the Director of the Performance and Efficiency Division of OMES and when appropriate, to the Oklahoma Employees Insurance and Benefits Board (OEIBB) Fiscal and Investments Committee. The policy can also be found in the Performance and Efficiency Division's policies.
 - b. The Internal Audit Department shall comply with the concepts enunciated by the Standards for the Professional Practice of Internal Auditing and Statements on Internal Auditing Standards, as codified by the Professional Practices Division of the Institute of Internal Auditors.

2. Authority

- a. The Internal Auditors are authorized to review and evaluate every Department function, activity, record and file, and report on controls, economy, efficiency, effectiveness, program results, management of resources and records, and compliance with Federal and State Statutes, EGID Rules and Regulations, EGID Policy and Procedures with other applicable standards and guidelines.
- b. The Internal Auditors are authorized to review and evaluate every EGID contract and report on controls, economy, efficiency, and compliance with contract provisions and EGID policies and procedures.
- c. In order to accomplish the review/audit assignment, direct lines of authority can be crossed when necessary.
- d. All files, records, or other documentation relating to any EGID activity, project or function shall be furnished to auditors of the Internal Audit Department upon request, regardless of the normal policy restrictions pertaining to confidentiality, whenever the request is made about an EGID audit investigation.
- e. When it becomes necessary for Internal Audit to review secured or confidential matters or data, the Auditors are responsible for maintaining security or confidentiality.

3. Reporting and EGID Response

- a. Regulations established for audits of State governments, require management to provide timely comments on audit findings and recommendations, including an implementation plan showing corrective action taken or planned, and comments on the status of corrective action implemented based on prior findings; or a statement explaining why corrective action is not necessary.
- b. Audit reports and audit action letters shall be sent by the EGID Administrator to the pertinent Department Director. The Director shall distribute the data to lower level managers for review, discussion and response.
- c. Copies of the response sent to the EGID Administrator shall be sent to the Internal Audit Department.
- d. A response shall be initiated by the lowest management level affected, then forwarded through ascending levels of management to receive additional responses. All pertinent data, including discussions and instruction sessions, shall be included in the response sent to the EGID Administrator and the Internal Audit Department.
- e. Open and candid written communication shall be encouraged.