

To: Vice Presidents, Deans, Directors, and Department Heads

From: Don Zant
Director of Internal Audit

Subject: Basic Control Assessment and Annual Self Audit of Equipment

On June 19, 2006, a memo was sent by Receiving & Property Control to all Departments (see a copy at http://www.property.msstate.edu/forms/self_audit_2006_memo.pdf) regarding the need to complete an annual self-audit of equipment. As most of you are aware, we are performing basic control assessments of all university departments. One of the areas we examine during a control assessment is the area of property management. We strongly encourage that self-audits be completed in a timely manner as requested by Receiving and Property Control. An annual self-audit is not only an important component of internal control but helps satisfy both internal and external audit requirements.

Internal controls related to equipment can be further enhanced by the inclusion of more than one individual in the self-audit process. Therefore, we recommend that someone in addition to (or in conjunction with) the inventory representative conduct the self-audit. We further recommend that in addition to the department head, all individuals involved in the completion of the self-audit sign the self-audit report as documentation of their participation in the process.

It is our hope that the information noted above will assist departments in the improvement of internal controls and help them receive a more favorable control assessment. Please contact the Office of Internal Audit at 662-325-7353 or visit our web site located at <http://www.msstate.edu/dept/audit/BasicControlAssessment.htm> if you have questions regarding this e-mail or the control assessment process.