

- (1) REPORT DIRECTLY TO THE AGENCY HEAD;
- (2) DEVELOP AN ANNUAL AUDIT PLAN TO CARRY OUT INTERNAL AUDITS;
- (3) PROVIDE WRITTEN POLICIES AND PROCEDURES TO GUIDE THE PERFORMANCE OF INTERNAL AUDITS;
- (4) ESTABLISH AND MAINTAIN AN ONGOING INTERNAL QUALITY ASSURANCE PROGRAM TO EVALUATE THE OPERATION OF INTERNAL AUDITS;
- (5) PARTICIPATE IN PERIODIC EXTERNAL PEER REVIEW;
- (6) BE FREE OF ALL OPERATIONAL AND MANAGEMENT RESPONSIBILITIES THAT WOULD IMPAIR THE ABILITY TO MAKE INDEPENDENT REVIEWS OF ALL ASPECTS OF THE AGENCY'S OPERATIONS;
- (7) PREPARE INTERNAL AUDIT REPORTS THAT SHALL:
  - (I) BE SUBMITTED TO THE AGENCY HEAD; AND
  - (II) EXCEPT FOR ANY PART OF A REPORT THAT IS CONSTITUTIONALLY PRIVILEGED, BE AVAILABLE TO THE LEGISLATIVE AUDITOR;
- (8) CONDUCT FOLLOW-UP REVIEWS OF INTERNAL AUDIT FINDINGS TO ASCERTAIN THAT APPROPRIATE ACTION HAS BEEN TAKEN ON FINDINGS CONTAINED IN INTERNAL AUDIT REPORTS; AND
- (9) MAKE AVAILABLE AND COORDINATE A CONTINUING PROFESSIONAL EDUCATION PROGRAM:
  - (I) TO ENSURE THAT THE AGENCY'S INTERNAL AUDITORS HAVE ACCESS TO CURRENT INFORMATION CONCERNING INTERNAL AUDIT POLICIES, PROCEDURES, AND TECHNIQUES; AND
  - (II) TO PROVIDE GENERAL TECHNICAL AND AUDIT ASSISTANCE TO THE AGENCY'S INTERNAL AUDITORS.

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EACH AGENCY THAT PERFORMS INTERNAL AUDITS SHALL ESTABLISH A PROGRAM THAT INCLUDES:

- (1) AN ANNUAL INTERNAL AUDIT PLAN THAT:
  - (I) USES MATERIALITY AND RISK ASSESSMENT TECHNIQUES; AND
  - (II) IDENTIFIES THE INDIVIDUAL AUDITS TO BE CONDUCTED DURING EACH YEAR; AND
- (2) PERIODIC AUDITS OF THE AGENCY'S CONTROL ENVIRONMENT, INCLUDING ALL MAJOR ELECTRONIC AND MANUAL DATA PROCESSING SYSTEMS.

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