

## How much time do audits take?

An audit can last from a few weeks to many months, depending on the scope and complexity of the audit work to be performed. The audit team will provide a reasonable estimate of the expected time frame during the planning phase and will keep you informed of any anticipated changes to that timeline throughout the audit process.

## Other services

In addition to traditional operational audit services, and engagements based upon requests, the Internal Audit team also provides specialized IT Audit services and other consulting and advisory services to help DMV meet its objectives. Examples of these services include:

- ▶ IT security audits to assess the adequacy of IT system controls and compliance with established IT security policies and procedures.
- ▶ Advising project teams on systems development and implementation.
- ▶ Reviewing and consulting on the design and development of new applications or modifications of existing automated systems.
- ▶ Participating in or consulting with committees to address regulatory and compliance issues.
- ▶ Conducting hotline investigations.
- ▶ Other management requested services and support.



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# INTERNAL AUDIT

Helping You Reach Your Goals



Department of  Motor Vehicles

## What is Internal Auditing?

For the Virginia Department of Motor Vehicles, your internal audit team is part of the Office of Enforcement and Compliance. Like other functions here at the agency, Internal Audit is also dedicated to people, ethics, accuracy and knowledge. The functions of this PEAK professional group are to support all DMV employees in fulfilling the agency's vision. For you, Internal Audit:

- ▶ Provides advice to coworkers developing technology systems, policies and procedures (People)
- ▶ Ensures that proper controls are in place to protect DMV assets and employees (Ethics)
- ▶ Determines whether DMV follows policies and procedures (Accuracy)
- ▶ Evaluates DMV operations to improve effectiveness and efficiencies (Knowledge)

Consider the Internal Audit team as consultants here to help you be successful in your work.

## What are internal controls and why are they important?

Internal controls keep things from going wrong. They are risk management tools that protect you and the agency and help DMV achieve its goals. Examples of controls include:

- ▶ Performing daily settlements by customer service representatives every day to determine that all transactions have been recorded correctly.
- ▶ A manager receives a report that identifies unusual transactions processed the previous day requiring approval.

Everyone at DMV is responsible for following practices that keep our agency strong and secure.

## What is risk?

Risk is the chance that something may go wrong. Examples include:

- ▶ Someone gains access to sensitive information that could compromise a customer's identity.
- ▶ Programming errors could be introduced to information systems during periodic modification.

## How does the team determine who and what to audit?

Audits activities are usually selected two ways:

- ▶ Annual Audit Plan - the audit team annually creates a plan that identifies programs, processes, and work units to review during the coming year.
- ▶ Requests – DMV managers usually request an audit. You are a customer of the Internal Audit department. The reason managers usually request Internal Audit's services is because they suspect there is a problem that needs to be addressed soon. It may be a problem with reports they have received and they want an opinion on the accuracy, a suspected operational problem, or a desire to make operations more efficient.

## What happens during an audit?

An audit entails three general phases as follows:

- ▶ A Planning Phase when the audit team will meet with you and come to understand your key processes and how you do business. The team will also find out what you want to learn from the audit and will establish the scope of the audit with you.

- ▶ The Fieldwork Phase is when you see the auditors the most, as the audit team performs testing to evaluate your key controls and compliance with applicable laws and regulations. As testing is conducted, the audit team will discuss issues and recommendations with you and discuss corrective actions needed to address any significant concerns identified.
- ▶ The Reporting and Post Audit Activities take place once fieldwork is completed. The audit team will issue to management and relevant DMV parties a report that summarizes the audit findings, recommendations, and your responses to the findings. There is generally a conference when the report is discussed with management. Following issuance of the audit report, the audit team will assist you to ensure that corrective actions are being implemented effectively.

