

	<p style="text-align: center;"><b>Department of Human Services</b> <b>Online Directives Information System</b></p>	<p style="text-align: center;"><b>Index:</b> <b>Revised:</b> <b>Next Review:</b></p>	<p style="text-align: center;"><b>POL1904</b> <b>03/06/2024</b> <b>04/01/2026</b></p>
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**SUBJECT: INTERNAL AUDIT AND AUDIT STANDARDS**

**POLICY:**

- A. The policy of the Department of Human Services (DHS), Office of Inspector General, Internal Audit and Compliance (OIG-IAC), is to ensure that funds, property and other assets of DHS are safeguarded, resources are effectively and efficiently used, applicable regulations, laws, policies, procedures and generally accepted accounting principles and standards are followed, and adhered to accordingly.
- B. In fulfilling its mission and responsibilities, OIG-IAC conducts various audits (i.e. compliance, financial, performances, etc.) and/or reviews of DHS divisions, offices, and programs. Also, OIG-IAC may review third-party audits performed by independent auditors of entities that have a contractual relationship and/or are funded by the Department.

In addition, OIG-IAC also conducts special request audit(s), investigations, and reviews. The special request audit(s) may be performed when fraud, defalcations, or other irregularities are suspected or when other concerns arise that may need attention or are believed to exist.

- C. All divisions, offices, programs and any of their subrecipient(s)/contractor(s) being audited are expected to provide every possible assistance to assist with the progress of the audit.

For the period(s) to be audited, all requested sample records and/or documents (federal programs, regulations, monitoring, etc.) should be made readily available to auditors upon request and/or their arrival.

**Note:** OIG-IAC will assume custody and control of documents and records where there is evidence of fraud, defalcation, or where there are other reasonable needs to protect documents from loss, alteration, or destruction. Audit staff will provide receipts when custody of records becomes necessary.

- D. Audits will be conducted in accordance with the following:
  1. Government Auditing Standards (Yellow Book) issued by the Comptroller General of the United States.
  2. Standards for Internal Control in the Federal Government (Green Book) issued by the Government Accountability Office (GAO).

3. Generally Accepted Auditing Standards adopted by the American Institute of Certified Public Accountants (AICPA).
4. Other applicable policies, rules, and regulations as necessary.

The Office of Inspector General, Internal Audit and Compliance is responsible for issuing and updating procedures to implement this policy when necessary.

**A. Authority**

2 CFR part 200.331  
7 CFR part 277.17 Audit Requirements  
45 CFR 75

**B. References**

Code of Federal Regulations [2 CFR 200](#)  
Code of Federal Regulations [7 CFR 277.17](#)  
Code of Federal Regulations [45 CFR 75](#)  
Generally Accepted Auditing Standards (Yellow Book)

**C. Applicability**

This policy is applicable to all divisions and offices of DHS.

**D. Definitions**

Standards: (1) The "Generally Accepted Auditing Standards" adopted by the American Institute of Certified Public Accountants (AICPA); and (2) The "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" issued by the Comptroller General of the United States.

**E. Responsibilities**

1. The Office of Inspector General, Internal Audit and Compliance (OIG-IAC) Director is responsible for oversight of POL1904.

**F. History**

Replaces POL1904, last reviewed 03/06/2024.

**G. Evaluation**

The OIG-IAC will evaluate this policy continuously by:

1. Reviewing policy guidelines and criteria.
2. Performing audits and reviews.