



## 22.20 Internal Audit Program Required and Elected

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### 22.20.10 Internal audit program standards

July 1, 2017

1. For those agencies that the Office of Financial Management (OFM) director determines internal audit is required, the agency head or authorized designee has the responsibility and authority to establish and maintain an internal audit program.
2. For those agencies that the OFM director determines internal audit is not required, the agency head or authorized designee may elect to establish and maintain an internal audit program.
3. All internal audit programs, whether required or elected, must follow professional audit standards including generally accepted government auditing standards (GAGAS) or standards adopted by the Institute of Internal Auditors (IIA), or both.

### 22.20.20 Required internal audit program

July 1, 2017

OFM will periodically conduct a review to determine which agencies are required to establish and maintain an internal audit program.

OFM will consider a variety of factors in order to make the determination. These factors include, but are not limited to, size and complexity, FTE, cash and investments, revenue, and levels of risk related to financial activities.

The agencies required to establish and maintain an internal audit program are listed on the OFM Accounting resource site. <https://ofm.wa.gov/accounting/administrative-accounting-resources/internal-audit>.



### 22.20.30 Outsourcing the internal audit program

July 1, 2017

The internal audit program may only be outsourced with OFM approval. When the internal audit program is outsourced, an appropriately positioned agency employee or board member must still function as the chief audit executive (defined in [Subsection 22.30.20.c](#)) and fulfill the responsibilities of this policy.