



SOUTH CAROLINA STATE INTERNAL AUDITORS ASSOCIATION (SCSIAA)

MEDICAL UNIVERSITY OF SOUTH CAROLINA (MUSC)

Office of Internal Audit
Quality Assurance Peer Review Report
June 2022

Peer Review Team Members

Melissa Shaver, South Carolina Department of Revenue – Team Lead
Pam Smith, South Carolina Department of Revenue – Team Member



June 22, 2022

Thomas L. Stephenson
Esquire Stephenson and Murphy, LLC
207 Whitsett Street
Greenville, SC 29601

Re: Report of Quality Assurance (Peer) Review

Dear Mr. Stephenson:

At the request of the Office of Internal Audit at the Medical University of South Carolina (MUSC), a Quality Assurance Peer Review was conducted. Completion of the review was coordinated by the Peer Review Chair of the South Carolina State Internal Auditor's Association Board. The review, which was performed by persons independent of the MUSC Internal Audit Office, was conducted in conformity with the United States General Accountability Office's Government Auditing Standards (GAGAS).

OBJECTIVE

The primary Objective of this Quality Assurance Peer Review was to determine whether the MUSC Internal Audit function and activities are in compliance with the Standards established by the United States General Accountability Office (GAO). Specifically, the purpose of the review was to determine the level of compliance of the Internal Audit Office with the GAGAS.

SCOPE

The Scope of this Quality Assurance Peer Review was limited to reviewing work performed by the Internal Audit Office from the last two years. Peer review fieldwork was conducted in June and focused on the following:

- Ensuring documented policies and procedures comply with GAGAS Standards.
- Ensuring internal and quality control systems are functioning as intended.
- Analyzing a sample of completed audits to ensure compliance with policies, procedures and standards.
- Analyzing questionnaire responses received from the MUSC Audit Committee Chair, Internal Audit Director, Internal Audit staff, and Internal Audit clients.
- Interviewing Internal Audit staff members as needed.

BACKGROUND

The GAO is responsible for establishing standards that organizations receiving Federal funds must adhere to. As such, the GAO issues the Government Auditing Standards. These standards require internal audit functions to develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity and continuously monitors its effectiveness. The program should be designed to help the internal audit activity, add value and improve the organization's operations, and to provide assurance that the activity is in conformity with the standards.

According to GAO, ..."each audit organization conducting audits in accordance with these standards should have an appropriate internal quality control system in place and undergo an external quality control review..."The external quality control reviews should be performed at least once every three years.

The external quality control review was not performed in the prescribed timeframe due to COVID-19 restrictions. As a result, the peer review was conducted in 2022.

OPINION

Based on the Scope of the Quality Assurance Peer Review, it was determined the MUSC Internal Audit Office complies with the GAGAS. Even though there are limitations inherent in any quality control system, which may result in undetected departures from the system, it is the opinion of the Peer Review Team that the internal and quality control system in place is adequate. Further, the related quality control policies and procedures are being adhered to, which provides more than reasonable assurance of conformity with applicable standards.

ACKNOWLEDGMENTS

The Peer Review team wishes to thank all personnel for their cooperation and assistance throughout the course of the review. Ms. Susan Barnhart, Audit Director, and the entire Internal Audit staff are well versed in auditing standards, and have established a good foundation for full compliance going forward.

Sincerely,

Melissa Shaver, Peer Review Leader

CC: Susan Barnhart, MUSC Audit Director
Kimberly Witte, MUSC Assistant Audit Director
Melissa Shaver, SC Dept. of Revenue
Dwayne Eanes, SCSIIA President
Andrea Delles, SCSIIA Peer Review Committee Chair