Definition of Internal Auditing

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
The mission of internal audit is to assist The Board of Regents and University management in the discharge of their oversight, management, and operating responsibilities through independent audits and consultations designed to evaluate and promote the system of internal controls, including effective and efficient operations.

Approved by The Regents’ Committee on Audit - March 1995

We advance the University of California’s ability to achieve its mission by promoting a culture of integrity and accountability.
Breakdown of Audit Services*

- Investigations: 15%
- Advisory Services: 25%
- Audits: 60%
OBJECTIVES OF INTERNAL CONTROLS

Internal Controls is a process designed to provide reasonable assurance regarding the achievement of objectives in the areas of:

- Financial reporting reliability
- Compliance with laws and regulations
- Operating efficiency and effectiveness

AUDITS

THERE ARE THREE TYPES OF AUDITS CONDUCTED:

Financial
Compliance
Operational

NOTE ALIGNMENT WITH OBJECTIVES OF INTERNAL CONTROLS
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Audit Subjects

- Academic Departments (including research activity)
- Administrative Units (admissions)
- Auxiliary Activities (housing, dining, athletics, bookstore, library, museums, parking)
Audit Subjects

- Cross Functional Processes (payroll, disbursements, etc.)
- Cross Functional Policies (conflict of interest)
- Major Activities/Events (construction, merger/acquisition)
- Information and Communication (data center, systems development)

Audit Subjects

- Business Issues (HIPAA readiness)
- Senior Management/Regental Concerns
- Financial Data and Reports
- Other Reported Matters
ADVISORY SERVICES

• Internal control training
• External audit coordination
• Systems development/reengineering projects
• Policy interpretation and guidance

ADVISORY SERVICES

• Internal control design and review
• Consultations/special request audits
• Productivity enhancement/performance benchmark/best business practices assistance
WHY INTERNAL AUDIT SERVICES

- Pragmatic, business oriented advice
- Local knowledge of policies, procedures, culture and environment
- Conduit to other resources
- Understand your resource limitations
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How Can We Help You?