Role of the Auditor

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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.
University of California
Internal Audit Mission Statement

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.

University of California
Internal Audit Vision Statement

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

• Audits (evaluate)

• Advisory services (promote)

• Investigations

Audit Activity in 2006-07

• 600 reports from audits, investigations, and advisory service projects

• 1,800 management actions for improving internal controls

• 27,000 hours devoted to investigating allegations of improper governmental activities

• 30,000 hours providing advisory services
How Are Areas Selected For Audit?

- Risk Assessment and Planning Process
- Campus Management Requests
- Projects Requested by the Regents and/or Office of the President

Types of Audits

- Financial
- Compliance
- Operational
Typical Audit Subjects

- Academic departments (including research activity)
- Administrative units (Admissions)
- Auxiliary activities (Housing, Dining, Athletics, Bookstore, Parking)
- Cross functional processes (Payroll, Disbursements)
- Healthcare activities (ER, Operating Room)

Typical Audit Subjects

- Cross functional policies (Conflict of Interest)
- Major activities/events (construction, merger/acquisition)
- Information and communication (Data Center, systems development)
Typical Audit Areas - Controls

- Separation of Responsibilities
- Safeguarding of Assets
- Policy Compliance
- Financial Management and Oversight

Typical Audit Areas – Functional

- Payroll and personnel
- Equipment inventory
- Non-payroll expenses and purchasing
- Federal contracts and grants
- Cash handling
- Gifts processing
UC Systemwide Audits 2006-07

- Executive Compensation
- Construction Soft Costs
- Conflict of Commitment and Outside Activities of Faculty Members
- Chancellors Special Allocation Funds
- Willed Body Program

Advisory Services

- Internal controls training
- Systems development/re-engineering projects
- Policy interpretation and guidance
- Consultations/special request reviews
- External Audit Assistance
Benefits of Internal Audit Services

• Practical, business-oriented advice
• Local knowledge of policies, procedures, culture and environment
• Conduit to other resources
• Understand your resource limitations

UC Business Officers . . .

How Can We Help You?
Audit Directors

Office of the President – Helen Valness
510-987-0484

Berkeley – Eleanor Bonner (acting)
510-642-8293

Davis – Rick Catalano
530-752-9172

Audit Directors

Irvine – Greg Moore (acting)
949-824-7855

Los Angeles – Ed Pierce
310-794-6110

Riverside – Michael Jenson
951-827-4667

San Diego – Stephanie Burke
858-534-3617
Audit Directors

San Francisco -- Abby Zubov
415-476-3851

Santa Barbara – Wanda Lynn Riley
805-893-2829

Santa Cruz – Geraldine Gail
831-459-2241

Berkeley Lab – Terry Hamilton
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