

ROLE OF THE AUDITOR

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May 2007

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.

HOW DO WE DECIDE WHAT TO AUDIT?

- IDENTIFY AUDIT “UNIVERSE”
- EVALUATE RISK FACTORS
- AUDIT HIGHEST RISKS

AUDIT UNIVERSE

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

AUDIT UNIVERSE

- **Cross Functional Processes (payroll, disbursements, etc.)**
- **Cross Functional Policies (conflict of interest)**
- **Major Activities/Events (construction, merger/acquisition)**

AUDIT UNIVERSE

- **Information and Communication (data center, systems development)**
- **Business Issues (HIPAA readiness)**
- **Senior Management/Regental Concerns**
- **Financial Data and Reports**

RISK FACTORS

- Management Control Environment
- Business Exposure
- Public Sensitivity
- Compliance Requirements
- Information Technology and Management Reporting

ADVISORY SERVICES

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