



Role of the Auditor

Patrick Reed
University 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.

Internal Audit Services

- Audits (evaluate)
- Advisory services (promote)
- Investigations

Internal Audit Activity 2007-08

- > 600 reports from audits, investigations, and advisory service projects
- Approx. 2,000 management actions for improving internal controls
- 25,000 hours devoted to investigating allegations of improper governmental activities
- 22,000 hours providing advisory services

How Are Areas Selected for Internal Audit?

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

UC Systemwide Audits 2008-09

- Executive Compensation Reporting
- Research Compliance—Effort Reporting
- HIPAA Privacy
- Vendor Policy
- Indirect Cost Waivers
- Support Groups
- IT Security

Types of Internal 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

Internal Audit 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

Who are the Audit Directors?

Berkeley – Wanda Lynn Riley
Davis- Rick Catalano
San Francisco – Abby Zubov
Santa Barbara – Craig Whitebirch
Santa Cruz – Geraldine Gail
Berkeley Lab – Terri Hamilton
Irvine – Patrick Reed (Acting)
Los Angeles – Ed Pierce
Riverside – Mike Jenson
San Diego – Stephanie Burke
UCOP – Patrick Reed

UC Business Officers . . .



How Can We Help You?

Typical Audit Areas – Functional

- Payroll and personnel
- Equipment inventory
- Non-payroll expenses and purchasing
- Federal contracts and grants
- Cash handling
- Gifts processing