Role of Internal Audit

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November 2010
What Will Be Covered?

• Mission, Organizational Structure, and Lines of Service
• Statistics Regarding Services Provided in FY 2010
• Example of Services Provided
• How To Use Audit Services To Make Your Operation Better
Internal Audit Mission Statement

Assist The 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.
The University of California

Lines of Service

<table>
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<tr>
<th>Audits</th>
<th>• Regular planned reviews of business units and processes</th>
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<td>Advisory Services</td>
<td>• Proactive planned and ad hoc activities including special management studies, consultations, participation in reengineering teams, etc.</td>
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<td>Investigations</td>
<td>• Investigate allegations of financial impropriety</td>
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Audit Service Goals

Initiate and promote positive change to systems, policies, procedures, and practices through the completion of audits and advisory service projects.

Provide opinions, analysis, and recommendations to proactively address risks that impede the achieving of objectives and goals.

Serve to investigate known or suspected improper governmental activities and ensure appropriate actions are taken to prevent or detect similar improper activities.
How Are Areas Selected for Audit?

- Annual Risk Assessment and Planning Process
- Campus Management Requests
- Requests by the Regents and/or Office of the President
Total Professional Staff, including the Director, is in parentheses. Total Authorized Professional Positions = 112.7 as of year end FY 2009-10 (LANL & LLNL Audit Departments not reflected in UC Audit Program)
Internal Audit Staff

Average Years Total Audit Experience 18 years
Average UC Audit Experience 11 years
Average Years Director Experience 27 years
Percent of Audit Staff with Advanced Degrees 34 %
Percent of Staff with Professional Certifications 83 %
Internal Audit Activity in 2009-10

- 437 reports from audits, investigations, and advisory service projects
- 1,900 management actions for improving internal controls and University operations
- 1,500 management actions were closed that addressed control and operational deficiencies
- 95,000 hours devoted to audits, 28,000 hours providing advisory services, and 18,000 hours for investigations of alleged improprieties
Audit Is A Resource To Help You

- Perform Audits to Improve Operations
- Provide Practical, Business-Oriented Advice
- Conduct Internal Controls Training
- Participate on System Development or Reengineering Teams
- Assist in Interpreting/Implementing Policy
- Complete Special Reviews and Studies
- Provide External Audit Assistance
We Are Waiting To Help When You Have a Question!

• Can you advise us if our system for paying invoices meets University requirements?

• Faculty in the department do not understand the importance of federal costing policies – what should I do?

• A federal auditor just arrived in our department and is requesting to review our records – what should I do?

• What campus cashiering policies exist?
Who to contact at your campus?

Berkeley – Wanda Lynn Riley
Davis – Jeremiah Maher
San Francisco – Rick Catalano
Santa Barbara – Craig Whitebirch
Santa Cruz – Barry Long
Berkeley Lab – Terri Hamilton
Irvine – Bent Nielsen
Los Angeles – Ed Pierce
Riverside – Mike Jenson
San Diego – Stephanie Burke
UCOP – Susana Atwood