

INTERNAL AUDIT UPDATE



Mindy Sanders
Director of Internal Auditing
BOT RMAC Committee Meeting
November 12, 2021

OFFICE OF INTERNAL AUDITING (OIA) OVERVIEW



Purpose

The OIA provides independent, objective assurance and consulting services designed to add value and improve the University's operations.

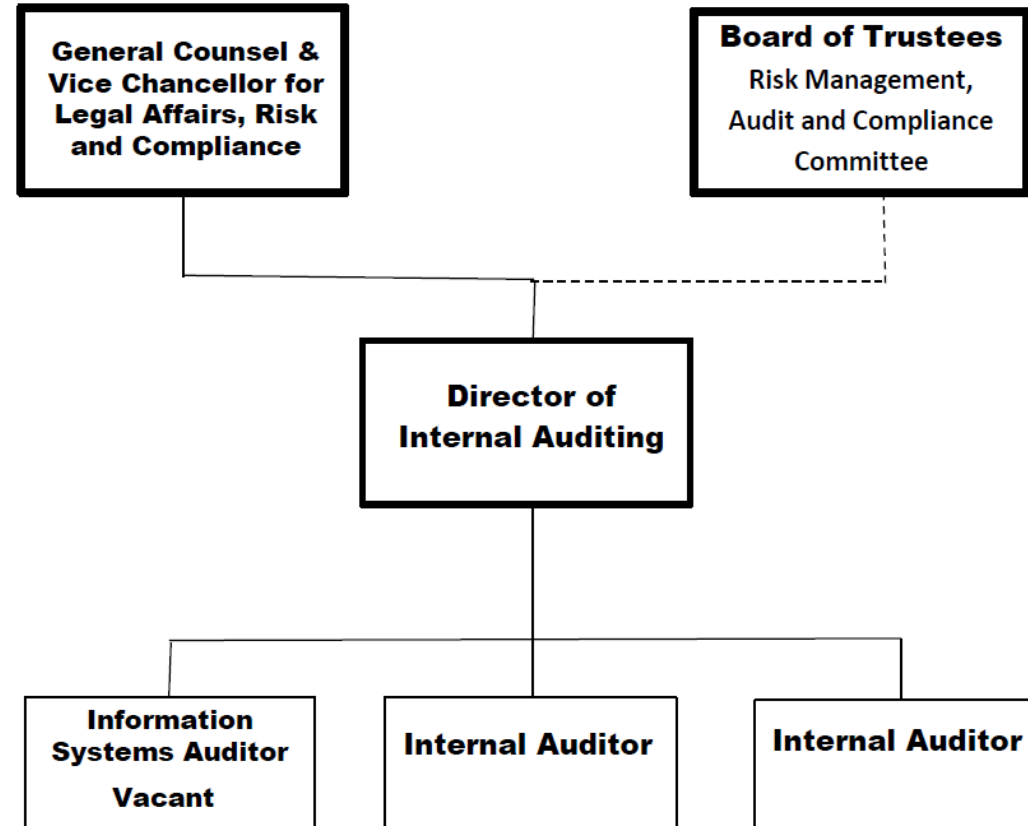


Role

The State of North Carolina defines guidelines prescribing requirement of internal auditing for state agencies under General Statute Chapter 143, Article 79.

The Council of Internal Auditing has authority to set policy related to the internal audit function.

OIA Organizational Chart





The Institute of Internal Auditors



The OIA adheres to The Institute of Internal Auditors' mandatory guidance including:

- Definition of Internal Auditing
- Code of Ethics
- Core Principles for the Professional Practice of Internal Auditing
- *International Standards for the Professional Practice of Internal Auditing (Standards).*

Independence and Objectivity

- Internal auditing activity must be independent and internal auditors must be objective in performing their work.
- Internal auditing activity must be free from interference in determining the scope of internal auditing, performing work, and communicating results.
- Internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest.
- Internal auditors have no direct operational responsibility or authority over any of the university's operating units.
- If independence or objectivity is impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Responsibility

The scope of internal auditing encompasses, but is not limited to, examination and evaluation of the adequacy and effectiveness of the university's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the university's stated goals and objectives.

The Director of Internal Auditing and staff of the OIA have responsibility to:

- Provide assurance services and consulting and advisory services.
- Perform an annual risk assessment.
- Develop an annual risk-based audit plan.
- Serve as external audit liaison.
- Evaluate specific issues and operations at the request of the Board of Trustees or senior management.
- Follow-up on engagement findings and recommendations.



OIA Audit Process



- Planning and Scheduling
- Entrance Conference
- Survey of Internal Controls
- Fieldwork
- Communication of Findings
- Exit Conference
- Audit Report
- Follow-Up Audit Procedures

Quality Assurance and Improvement Program

- Review all audit work throughout the year.
- Assess the efficiency and effectiveness of the OIA and identify opportunities for improvement annually.
- Assess whether internal auditors apply the Code of Ethics.
- Evaluate conformance with the Definition of Internal Auditing and the *Standards*.
- Request an external assessment every 5 years.

University Hotline

Report concerns regarding improper conduct, fraud, potential noncompliance, waste or abuse.

Two methods for reporting concerns or violations anonymously 24 hours a day, 365 days per year:

1) Call the hotline toll free at 877-507-7313

or

2) Make a report online at <https://secure.ethicspoint.com/domain/media/en/gui/72105/index.html>



QUESTIONS?

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INTERNAL AUDIT ACTIVITY SEPTEMBER 1, 2021 - OCTOBER 31, 2021



Summary of Internal Audit Activity September 1, 2021 to October 31, 2021		
	Completed	In Progress
Audits	1	2
Advisory	0	4
Investigations	2	5
Other	2	3
Total	5	14

Summary of Completed Audits & Investigations		
Audit Title	Issue Date	Findings
Banner Document Management/Xtender Application and Process Controls Audit	9/8/2021	6
Review of Internal Controls Over the Awarding of Undergraduate Degrees	9/17/2021	4
NC OSA Hotline - Payroll Administrator Changing Leave Hours	10/21/2021	1

QUESTIONS?

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