

UNC-CH Internal Audit Quality Assessment Review

Finance and Infrastructure Committee

March 26, 2014

Summary

- Generally Conforms - highest level of opinion allowed under the Standards
- Viewed positively – seen as resource
- Opportunities for enhancing conformance and continuous improvement
- Staff resources

Conformance with Standards

Revise Finance and Infrastructure Committee charter

- *Approve rather than advise*
- *Not typical in UNC System*

Conformance with Standards

Improve project management and make audits more efficient – interim audit reports.

- *High priority – firm due dates, justify extension*
- *Streamline processes – CAATs*
- *Discuss issues as found; escalate as needed*

Conformance with Standards

Expand information technology coverage.

- *Limited resources*
- *Focused on advisory work and ERP*
- *Expand after go-live; general controls in departmental audits*
- *Disaster recovery/business continuity test*

Conformance with Standards

More frequent and timely follow-up

- *Complete current project – brings up-to-date*
- *Informal follow-up activities*
- *Change approach – follow-up based on due dates*
- *Can produce reports of all uncorrected findings*

Conformance with Standards

Formal Internal Quality Assessment review.

- *On-going monitoring for ways to improve*
- *Policy written by end of fiscal year 2013/14*
- *Process will evolve*

Conformance with Standards

Audits of governance and ethics-related programs.

- *Advisory and consulting work*
- *Add formal audits as processes evolve.*

Conformance with Standards

COSO Internal Control Framework

- *Excellent tool but not required to align*
- *Departmental audits – 2015/16*
 - *Strategic plans – alignment and awareness*
 - *Risk identification and assessment*
 - *Monitoring of activities and results*
 - *Communications*

Conformance with Standards

Report style

- *Focus on nature, cause, and impact*
- *Quantify findings when will add clarity*

Continuous Improvement

- Audit map
- Affiliated entities
- Audit plan – sharing and staff input
- Cabinet and interaction with management

Continuous Improvement

Reports to the Finance and Infrastructure Committee

- *Performance metrics*
- *Significant audit findings*

Continuous Improvement

- Surveys
- Performance metrics for staff
- Team audits
- Training plans

Questions?