

Presentation to the Finance and Infrastructure Committee – 07/24/13

Information About the UNC-CH Internal Audit Department

Mission Statement

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps the University of North Carolina at Chapel Hill accomplish its mission, goal, and objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The underlying premise of our work is that the University, as a leader in the dynamic environment of higher education, must function at the highest level possible. Internal Audit supports this objective by providing independent, proactive analyses of governance, operations, financial activities, and systems of internal control. The purpose of these analyses is to evaluate whether resources are used in a way that appropriately manages risk and is in keeping with State requirements and the University's mission, goals, and objectives.

Definition of Internal Auditing

The Institute of Internal Auditors defines internal auditing as:

“...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.”

Department History¹

The University established its internal audit function in 1961 with the creation of an Internal Auditor position in the Division of Business and Finance. Initially, the Internal Auditor reported to University's Business Manager, later known as the Vice Chancellor for Business and Finance.

In the late 1960s, a Staff Auditor position was added to the internal audit function. In 1970, the title of the lead auditor was changed to Director of Internal Audit.

Between 1970 and 1975, the addition of other positions brought the size of the Internal Audit Department to six individuals – a Director, an Audit Assistant, and four Senior Auditors. In 1998, one of the Senior Auditor positions was converted to an IT Auditor position. In 2001, a fifth Senior Auditor position was added.

¹ From University Archives Collection Number: 40035, *Internal Audit Department of the University of North Carolina at Chapel Hill Records, 1969-1987- Historical Information*

In 1994, the reporting relationship was changed so that the Director of Internal Audit reported to the Chancellor. In 2001, the reporting relationship changed again. The Director of Internal Audit continued to report administratively to the Chancellor but, for functional purposes, reported to the Chairperson of the Business and Finance Committee of the University's Board of Trustees.

Directors of Internal Audit

1961 – 1963	Thomas A. Brickhouse
1963 – 1969	William R. Inman
1970 – 1973	Thomas K. Norris
1973 – 1981	Russell Clark
July-September 1981	Charles C. Antle, Acting
1981 – 1994	Edwin A. Capel, Jr.
September–December 1994	Bruce L. Thomas, Interim
January-September 1995	Grady Fullerton, Interim
September 1995-	Phyllis C. Petree