University of Alabama System

Individually Distinct. Altogether Stronger.

2019 Risk & Compliance Conference

Office of Internal Audit

Objectives

- Introduce Internal Auditing

- Identify One Control Enhancement "Take-away"

- Avoid Being Boring

University of Alabama System
Office of Internal Audit

Internal Audit

- What Is Internal Audit

- What Internal Audit *Does*

- What Internal Audit *Covers*

- Who Is UAS Internal Audit

What Is Internal Audit

Independent, **objective** assurance and consulting activity designed to add value and improve the System's operations.

What Internal Audit Does

- Helps the System accomplish its objectives by bringing a systematic, disciplined approach to **evaluate and improve the effectiveness of risk management, control and governance processes**.
- Promotes and supports a control-conscious, proactive risk management environment

What Internal Audit Covers

Compliance – laws, regulations, policies, procedures and contractual agreements
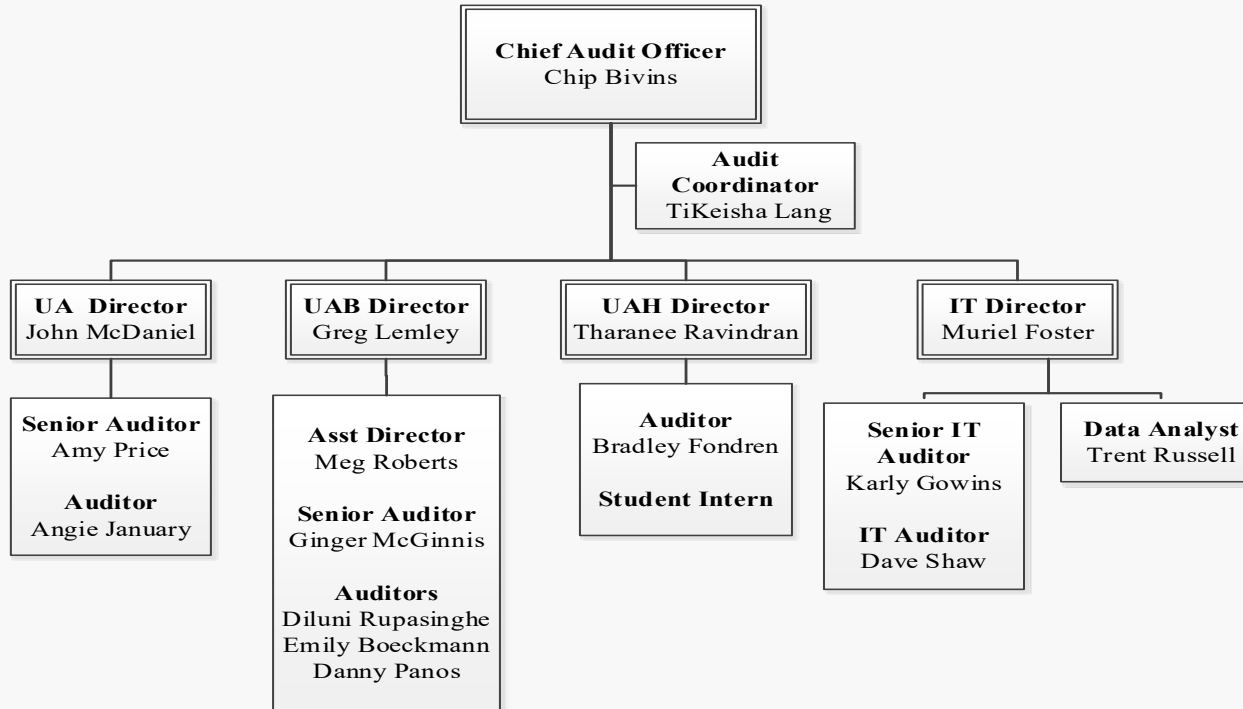
Financial – transactions and the systems/procedures used to process them

Information Security/Technology – data confidentiality, integrity, availability and reliability

Operations – performance and efficiency

Who Is UAS Internal Auditing

Chief Audit Officer
Chip Bivins

Audit Coordinator
TiKeisha Lang

UA Director
John McDaniel

UAB Director
Greg Lemley

UAH Director
Tharanee Ravindran

IT Director
Muriel Foster

Senior Auditor
Amy Price

Auditor
Angie January

Asst Director
Meg Roberts

Senior Auditor
Ginger McGinnis

Auditors
Diluni Rupasinghe
Emily Boeckmann
Danny Panos

Auditor
Bradley Fondren

Student Intern

Senior IT Auditor
Karly Gowins

IT Auditor
Dave Shaw

Data Analyst
Trent Russell

Internal Control

Internal Controls Defined (For Professionals Only *)

A process, effected by an entity's board, management and personnel designed to provide reasonable assurance regarding the achievement of objectives in: effectiveness/efficient operations, reliable reporting, compliance

***Don't try using this at home**

Terminology (almost in English)

- *Objectives* – whatever it is we want to "do"
- *Success* – whatever it "looks like" if we achieve our objectives
- *Risk* – anything that can get in the way of us achieving our objectives and being successful
- *Internal Controls* – the things we do to increase the chances that we will achieve our objectives successfully and reduce the risks that can derail us

Personal Internal Control System (That you didn't know that you had)

- Home- Locking Doors, Security System, Maintenance
- Debit/Credit Cards- PINS, reconcile purchases
- Bank and Investment Accounts- Reconcile activity
- Car- Preventive maintenance, insurance, check fuel level
- Your self – Seat belts, exercise, annual physical, sunscreen
- Your research and coursework- peer review, control access to test questions and answers, access to test data, etc

Audit Lessons for the Rest of You – 10-1-10

- 10 Things to Enhance Your Control Environment

- 1 (and only 1)Control Chosen to Implement

- 10 Days to Implement

Ten Control Enhancements

1. Never sign anything you don't understand
2. Don't authorize someone else to sign your name
3. If something does not make sense – ask until you are comfortable
4. Be familiar with policies and procedures
5. Consider unique risk for your area – ensure appropriate level of controls
6. Ensure timely reconciliations and investigate unusual transactions
7. Don't allow one employee complete control in a process
8. Lock offices and labs appropriately
9. Ensure appropriate use of assets
10. Set a strong example in your department

Conclusion

The world has changed with respect to compliance, risk, and accountability

You play a key role in controls which ensure success in the above items

See something, say something is the new normal

Saying nothing can lead to major problems