

UNM Internal Audit Department

# The Role of the Internal Audit Department



Research Administrators Network

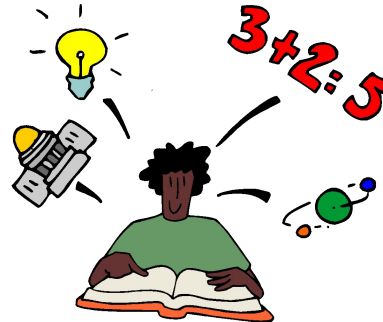
# Definition of Internal Auditing

**“Internal auditing is 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.”**

The Institute of Internal Auditors

# UNM Internal Audit Department

## We're Here to Help!



- Identify Risks
- Find Better Ways and Best Practices
- Partner With You to Find Solutions
- Prevent Problems

## UNM Internal Audit Department

# We Report to the Board of Regents Audit Committee

- Ensures independence
- Elevate issues to a level where they can be corrected
- Keeps Regents informed
- Meets quarterly

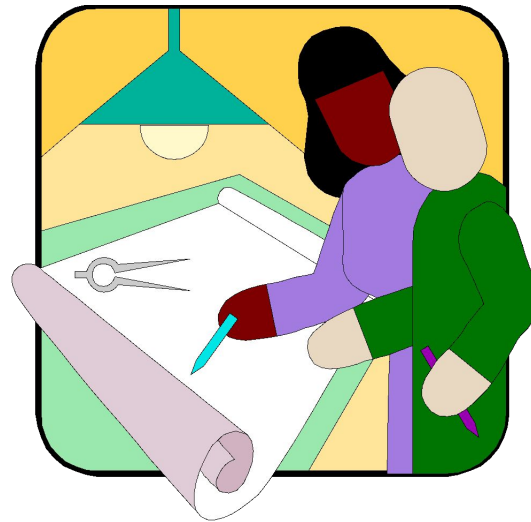
# What is Risk Based Auditing?

- Focus on risk of occurrences that could prevent the University from achieving its goals
- There are many types of risk – fraud, improper reporting, ineffective or inefficient use of resources, credibility loss, etc.
- Focus on areas with high risk and high probability that controls are not in place or are weak

# UNM Internal Audit Department

## We have a plan!

- Risk based audit plan developed with input from across the University
- Risk factors:
  - Impact
  - Probability
  - Controls



## What Is the Plan?

- List of audits for fiscal year
- Based on risk assessment and available man hours
- Includes estimated budget hours and completion date
- Approved by Audit Committee

# UNM Internal Audit Department

## Auditable Entities

### **WE DO AUDIT**

- Operations and compliance
- Departments
- Colleges or Schools
- Programs, Grants, Contracts
- Information Technology Systems
- University-wide Processes

### **WE DO NOT AUDIT**

- Specific individuals
- Human Resource issues
- Sexual harassment or other civil rights issues



UNM Internal Audit Department

# Internal Audit is Intake Point for Whistleblowers

University policy requires Internal Audit to receive reports of

Misconduct

Fraud

Several ways to report

Hotline

E-mail

Phone

Walk in



## UNM Internal Audit Department

### Investigations of Fraud and Employee Misconduct

- Whenever possible we will refer to the appropriate Dean, University Police, OEO or Human Resources for investigation
- University policy requires Internal Audit to investigate if financial or operational
- Internal Audit coordinates and reports to the State Auditor

# UNM Internal Audit Department

## Who Are We?

We are University employees

We are certified

public accountants,

internal auditors,

fraud examiners and information  
system auditors

We are a staff of 7 auditors

## UNM Internal Audit Department

# It's the “little” things that get you!

- Misreporting hours.
- Forgetting to obtain prior approval when needed.
- Using estimates that are not supported.
- Any violation of University policy.

## Preventive Measures

- Make sure your controls are working
- Review and reconcile
- Check the work of your subordinates
- Don't give in to the temptation to skip controls because you are busy!



# What is included in the audit report?

- What was found
- Why it happened
- What is required
- What effect it has
- Recommendation for improvement
- Response – who, when and how



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## What happens after the audit?

- Follow-up
- Review corrective action
- Report to Audit Committee

## UNM Internal Audit Department

# Who Audits the Auditors?

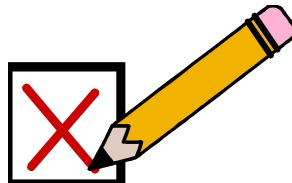
- We must have a peer review at least once every five years
- Our Standards are set by the Institute of Internal Auditors, and the American Institute of Certified Public Accountants



## UNM Internal Audit Department

### We Want to Know How We Are Doing

- At the completion of each audit we will send an after-audit-survey
- We want you to rate our performance
- Were we professional, helpful, timely and did we add value?
- Please take the time to give us your feedback.



# UNM Internal Audit Department

## We are here to help



- We provide training
- Respond to policy and technical accounting questions
- Offer suggestions for improvement
- Advisory role

UNM Internal Audit Department

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