

Review of UNC General Administration's Internal Audit Report for the Second Quarter FY 2012

Internal Audit has released its Second Quarter Report for Fiscal Year 2012. (see attachment 1)

Office of Internal Audit Second Quarter Report FY 2012

Summary of Completed and Pending Engagements

The annual audit plan is a dynamic document that may change during the fiscal year as circumstance warrant. Requests from management, hotline and other investigations, and changes in the organization or operations may result in changes to the plan and to priorities.

For the quarter ended December 31, 2011, Internal Audit completed and/or initiated the following four engagements:

Pending- Scheduled Audits and Consultations:

UNCTV Efficiency Review: Fieldwork for this review was completed on November 8, 2011. Recommendations for efficiencies have been shared with members of UNC GA and UNC-TV management. A draft report has been issued for review by UNC-TV management and an exit meeting is expected to be scheduled in the coming weeks. The final report should be issued by the end of January.

President, Chief of Staff, and Vice President Expenses Review: Fieldwork for this review began in December. Our testing includes a review of compliance to UNC GA expense policies and procedures and a reasonableness assessment of expense items. We expect to complete fieldwork by March.

Other Projects:

UNC Finance Improvement and Transformation (UNC FIT) Monitoring: In conjunction with the UNC FIT initiative, Internal Audit is assisting with the financial aid, contracts and grants, and general accounting monitoring visits in February and March. The monitoring visits will consist of document tests and interviews at UNC campuses to ensure compliance to the UNC FIT standards. Time was spent this quarter planning for these visits.

In addition, Internal Audit also participated as part of the UNC FIT Internal Audit Advisory Team and attended the Council of Internal Audit meetings in downtown Raleigh.

Professional Development

State law requires the Office of Internal Audit to follow the *International Standards for the Professional Practice of Internal Auditing*. Standard 1230 states: "Internal auditors must enhance their knowledge, skills, and other competencies through continuing professional development." To meet the requirements of Standard 1230, the internal auditor has attended the following workshops and conferences:

External Training:

- "UNC Auditors Stake Your Claim on Assurance" UNC Auditors Association Annual Conference on October 10-11, 2011
- UNC Campus Controller's Workshop on November 14, 2011
- "Control Environment, Importance of Tone at the Top, and Ethics" webinar on November 16, 2011
- "Optimizing IT operations: elevating performance in an era of declining budget cuts" KPMG webcast on November 17, 2011
- Office of State Controller Financial Conference on December 13, 2011