



Information Statement

Internal Audit

Section 1: Introduction

IA Introduction 1.1 -

STATEMENT OF PURPOSE, AUTHORITY, AND RESPONSIBILITY

Responsible Officer: Director of Internal Audit
Responsible Unit: Internal Audit Department
Effective Date: July 1, 1996
Last Revised on: November 11, 2003

Purpose Statement

Internal Audit (IA) conducts reviews of University records and operations and reports the results of these reviews to management. The mission of the department is to assist management by providing objective analyses of, and recommendations to improve, University activities. All projects will be conducted in keeping with the *Standards for the Professional Practice of Internal Auditing*, issued by The Institute of Internal Auditors.

IA reports directly to the Chancellor. This reporting relationship promotes independence and assures adequate consideration of audit findings and recommendations.

Authority Statement

Internal Audit will be free from undue influence in selecting activities to be examined and the audit techniques and procedures to be used. To the extent permitted by law (NC General Statute § 116-40.7), IA will have unrestricted access to all sources of information, property, and personnel relevant to an area under review. IA will make special efforts to protect the confidentiality of information covered in a review, as well as any recommendations pertaining thereto. To the extent possible, IA will accommodate an area's daily operations in scheduling and conducting reviews.

Objectivity and independence are crucial to IA's duties. Either may be compromised if auditors participate directly in preparing records or designing systems and operations. Therefore, IA staff will serve only in an advisory capacity regarding these matters.

Signed by:

James Moeser, Chancellor, University of North Carolina at Chapel Hill

Phyllis C. Petree, Director of Internal Audit, University of North Carolina at Chapel Hill

Nelson Schwab III, Chair, Audit & Finance Committee, Board of Trustees, University of North Carolina at Chapel Hill

Responsibility Statement

IA's major responsibilities include the following:

- Assessing financial and operational processes
 - to determine that they produce reliable information,
 - to ensure that resources are used in keeping with the University's mission,
 - to evaluate whether relevant regulations and policies are observed;
- Working in partnership with management to ensure that policies and processes are effective and efficient; and
- Serving as a resource to the University community in identifying the need for and characteristics of adequate systems of control.

IA will discuss the results of each project with staff in the area being reviewed. These meetings help ensure that findings and recommendations are valid and understood. When appropriate, these issues will be presented in a written report after a project is complete. Management will have an opportunity to review draft reports and to comment, in writing, relative to final reports. Such comments will be included in the final version of the report. Written reports will be addressed to the Chancellor, with copies provided to management of the area audited, the Executive Vice Chancellor, and other appropriate University officials.

Contacts

Questions and concerns can be submitted using the [Internal Audit Staff Directory](#).

Revision History

Prior Revisions:	The policies in the <i>Internal Audit Department Policies and Procedures Manual</i> supercede any IA policies, procedures, appendices and information previously included in the <i>University Business Manual</i> , a publication of UNC Chapel Hill's Division of Finance .
-------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

