

ISSUE

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The Internal Audit Insight



History of Internal Auditing

According to The Institute of Internal Auditing (IIA), the roots of internal auditing can be traced back to ancient times (B.C.). Historians have found evidence of merchants using internal auditing to verify receipts of grain brought to market.

In the 19th and 20th centuries, the internal auditing profession saw significant growth due to the expansion of corporate business.

Source: History of The IIA - <https://www.theiia.org/en/about-us/about-internal-audit/history-of-the-ia/>

University Core Values

- Responsibility.
- Excellence.
- Integrity.
- Inclusiveness.
- Learning.



In this issue

Director's Message **P.1**

About the Office of Internal Auditing **P.2**

Fighting Fraud **P.3**

Director's Message

Did you know that **May is Internal Audit Awareness month**? In conjunction with Internal Audit Awareness month, the Office of Internal Auditing is launching our new biannual internal audit newsletter, "**The Internal Audit Insight**".

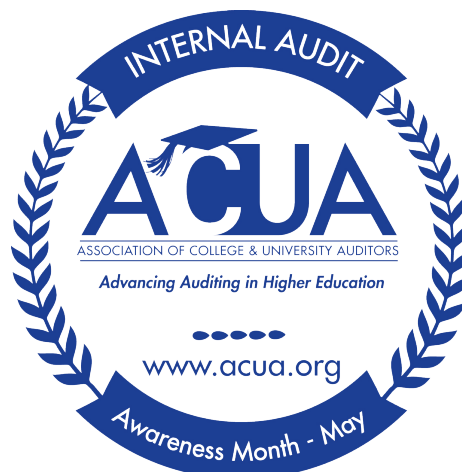
The first edition of our newsletter will provide a general overview of the internal audit function at North Carolina A&T State University (NC A&T). In future editions, the newsletter will feature one or two articles that focus on trending issues or challenges within higher education as well as attempt to increase internal audit awareness.

Another goal of the newsletter is to establish a strong connection with NC A&T employees so we can continue add value and better serve our university.

Thank you for reading the first edition of our biannual internal audit newsletter and if you have any questions, comments, or feedback please feel free to share them by emailing me directly at kjthomas4@ncat.edu.

Thanks Again,

Kevin J. Thomas, *Director of Internal Auditing*



Types of Engagements

The Office of Internal Auditing (OIA) offers several types of assurance and consulting engagements, below is a list and description of a few of the most common engagements:

Compliance Audits

Are the required laws, rules, regulations, policies and procedures being followed?

Compliance audits are performed to determine the extent of adherence to laws, rules, regulations, policies and procedures. Compliance may be reviewed for adherence to Federal, State and local laws, in conjunction with other regulatory agencies.

Investigative Audits

Are there instances of fraud, waste, or abuse involving University funds or assets?

Investigative audits are performed in response to allegations received through the University's Hotline or other external sources.

Follow-Up Audits

Has the division or department corrected issues that were identified in a previous internal or external audit?

After the issuance of an audit report by either the OIA or the North Carolina Office of the State Auditor, a follow-up audit is performed. During the follow-up audit process, the OIA performs the appropriate testing and reviews the steps taken by management to resolve the reported issues.

Consulting & Advisory Services

Consulting and advisory services are generally performed at the request of a division or department in an effort to leverage OIA's resources and objective perspective.

Consulting services are provided to management on a variety of topics and can include involvement on process development or software evaluation teams.

Unlike assurance engagements, the nature and scope of consulting engagements are subject to agreement between the client and the Office of Internal Auditing.



About the Office of Internal Auditing

General Purpose

The Office of Internal Auditing (OIA) provides independent, objective assurance and advisory services that are designed to add value and improve operations.

The OIA assists the University in accomplishing its objectives by utilizing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes.

The OIA also supports University management by providing monitoring and consultative services.

The Three Lines of Defense

The university has three lines of defense which include:

First Line of Defense

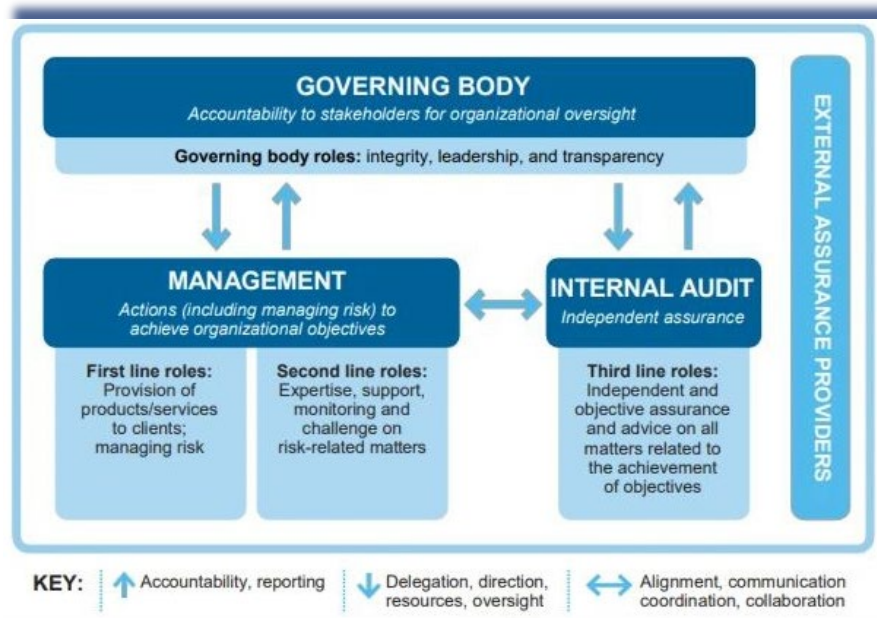
Governing Body (Board of Trustees)

Second Line of Defense

Management (Senior Management)

Third Line of Defense

Internal Audit





About the Office of Internal Auditing Cont.

What makes the third line of defense unique?

The Office of Internal Auditing is the third line of defense which means we do not direct or implement processes within the University as that would impair our independence. Instead, we provide recommendations based off the results of our assurance and consulting engagements.

Another unique feature is the Office of Internal Auditing reports functionally to the board and administratively to senior management. This structure provides the Office of Internal Auditing with the independence and objectivity required to perform assurance and advisory services without undue influence or fear of retaliation.

Fighting Fraud

Did you know the detection of fraud is primarily achieved through tips (allegations) received from employees?

As a result, we want to increase the awareness of our University hotline.

The Office of Internal Auditing utilizes the hotline to receive allegations of **fraud, waste, or abuse** that are primarily financial or compliance-based in nature.

These allegations are used to initiate investigative audits; however, in order to conduct effective and efficient investigative audits, we ask concerned employees to provide as many **specific details and information** as possible. We do not expect employees to know or have all the details but the more information an employee can provide the more likely we can take appropriate action to address their concerns and take action.

Remember to try to capture the **Who, What, When, Where, and Why** when submitting an allegation or concern through the hotline. Specific information such as dates and locations greatly increase the success of investigative audits and ensure our resources are used in a prudent manner that adds value and benefits our university.

We ask that if you **see something, say something!**

Fighting Fraud Statistics



Source: ACFE Occupational Fraud 2024: Report to the Nations

University Hotline

If you ever have a concern about **fraud, waste or abuse of University funds/assets**, do not keep it to yourself.

You may report violations or concerns to your immediate supervisor or department head, if appropriate.

There are also two methods for reporting your complaint, anonymously or in confidence.

You may call the University Hotline at the toll-free number established for this purpose: **877-507-7313** (24 hours a day / 7 days a week).

This hotline provides a confidential avenue to report allegations of wrongdoing pertaining to fraud, waste, and abuse.

Reports may also be made anonymously online at: www.reportlineweb.com/NCATSU.