



# UC San Diego

## Policy & Procedure Manual

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### CAMPUS ORGANIZATION

#### Section: 10-11 ATTACHMENT 1

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### ATTACHMENT 1

#### UNIVERSITY OF CALIFORNIA SAN DIEGO Audit & Management Advisory Services Charter June 2023

#### Purpose/Mission

The mission of University of California, San Diego Audit & Management Advisory Services (AMAS) is to provide the University of California (UC) Regents, President, and UC San Diego Chancellor with independent and objective assurance and consulting services designed to add value and improve operations. We do this through communication, monitoring and collaboration with management to assist the campus community in the discharge of their oversight, management, and operating responsibilities. AMAS brings a systematic, risk-based, and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

#### Authority

AMAS functions under the policies established by the Regents of the University of California and by University management under delegated authority.

AMAS is authorized to have full, free and unrestricted access to information it deems necessary to perform audit, consulting/advisory services, and investigation projects and ongoing risk assessment activities, including but not limited to, records, computer files, information systems, databases, property, and personnel of the University in accordance with the authority granted by approval of this charter and applicable federal and state statutes. Except where limited by law, the work of AMAS is unrestricted. AMAS is free to review and evaluate all policies, procedures, and practices for any University activity, program, or function on behalf of the Board of Regents.

In performing the audit function, AMAS has no direct responsibility for, nor authority over any of the activities reviewed. The internal audit review and approval process does not in any way relieve other persons in the organization of the responsibilities assigned to them.

Information requested by AMAS shall be provided without delay. Any attempt to interfere with or prevent AMAS' access to information, including termination of access to information required to perform AMAS' duties, shall be immediately escalated to the Chancellor and to the President of the University for resolution. If the access issues are not timely resolved through this escalation, the Chief Compliance and Audit Officer (CCAO) shall escalate the issues to the Chair of the Regents Compliance and Audit Committee for resolution.

#### Independence and Reporting Structure

To permit the rendering of impartial and unbiased judgment essential to the proper conduct of audits, internal auditors will be independent of the activities they audit. This independence is based primarily upon organizational status and objectivity and is required by external industry standards. To provide for independence, AMAS reports administratively to the UC San Diego Chancellor through the Chief Ethics & Compliance Officer, and directly to the Regents' Committee on Compliance and Audit through the UC Senior Vice President and Chief Compliance and Audit Officer (CCAO). The AMAS Director has direct

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access to the CCAO and to the President or the Regents' Committee on Compliance and Audit as circumstances warrant

**Communications, Accountability, and Coordination with Related Campus Entities**

AMAS reports periodically to the campus Compliance, Audit, Risk and Ethics (CARE) Committee on the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work; the status of the annual audit plan, and the sufficiency of audit resources. The audit function coordinates with and provides oversight of other control and monitoring functions involved in governance such as risk management, compliance, security, legal, ethics, environmental health & safety, and external audit.

The AMAS Director may take directly to the Chancellor, the CCAO, the President, or the Regents matters that they believe to be of sufficient magnitude and importance.

The Chancellor shall retain responsibility for approval of the campus annual audit plan and approval of the CARE Committee charter, and shall meet with the AMAS Director regularly to review the state of the internal audit function and the state of internal controls locally. The Regents have the ultimate authority to approve and/or amend the systemwide audit plan, which is a consolidation of all campus and laboratory audit plans.

**Scope of Work**

The scope of AMAS work is to determine whether UC San Diego's network of risk management, control, and governance processes, as designed and represented by management at all levels is adequate and functioning in a manner to ensure:

- Risks management processes are effective and significant risks are appropriately identified and managed.
- Ethics and values are promoted within the organization.
- Financial and operational information is accurate, reliable, and timely.
- Employee's actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected.
- Programs, plans, and objectives are achieved.
- Quality and continuous improvement are fostered in the organization's risk management and control processes.
- Significant legislative or regulatory compliance issues impacting the organization are recognized and addressed properly.
- Effective organizational performance management and accountability are fostered.
- Coordination of activities and communication of information among the various governance groups occur as needed.
- The potential occurrence of fraud is evaluated and fraud risk is managed.
- Information technology governance supports UC's strategies, objectives, and privacy framework.
- Information technology security practices adequately protect information assets and are in compliance with applicable policies, rules and regulations.
- Opportunities for improving management control, quality and effectiveness of services, and the organization's image identified during audits are communicated by IA to the appropriate levels of management.

AMAS also acts as the official external audit liaison for the campus for external audit engagements other than the annual financial audit performed by the Regents' auditors.

### **Nature of Assurance and Consulting Services**

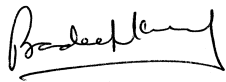
AMAS performs three types of projects:

- Audits are assurance services defined as examinations of evidence for the purpose of providing an independent assessment of governance, risk management, and control processes for the organization.
- Consulting/Advisory Services, the nature and scope of which are agreed upon with the client, are intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility.
- Investigations are independent evaluations of allegations generally focused on improper government activities including misuse of university resources, fraud, financial irregularities, significant control weaknesses and unethical behavior or actions.

### **Mandatory Guidance**

AMAS serves the University in a manner that is consistent with the standards established by the CCAO and acts in accordance with University policies and the UC Standards for Ethical Conduct. At a minimum, it complies with relevant professional standards, and the Institute of Internal Auditors' mandatory guidance including the *Definition of Internal Auditing*, the *Code of Ethics* and the *International Standards for the Professional Practice of Internal Auditing*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

Approved:



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Chancellor Khosla