

UCSD AUDIT & MANAGEMENT ADVISORY SERVICES

I. REFERENCES

- A. [University of California Internal Audit Mission Statement](#), Office of the President - endorsed by the Regent's Committee on Audit, March 2004
- B. [University of California Internal Audit Management Charter](#), Office of the President - endorsed by the Regent's Committee on Audit, March 2004
- C. [Outline of the University of California Audit Management Plan](#), Office of the President - endorsed by the Regent's Committee on Audit, March 2004
- D. [Policy on Reporting and Investigating Allegations of Suspected Improper Governmental Activities \(Whistleblower Policy\)](#), Office of the President, October 4, 2002
- E. *UCSD Policy and Procedure Manual (PPM)*
 - 100-4 Integrity of Research
 - 300-5 Audits by External Agencies
 - 460-5 Misuse of University Resources
- E. [University of California, San Diego, Audit & Management Advisory Services Charter](#)
- H. [University of California, San Diego, Audit Committee Charter](#)

II. BACKGROUND

In March of 2004, The Regents formally approved a revised Internal Audit Mission Statement, Charter and revised Outline of the University of California Audit Management Plan.

This policy revision is to incorporate at the local level the changes adopted by The Regents.

III. POLICY

It is the policy of UCSD to support the [Outline of the University of California Audit Management Plan](#), and the [UC Internal Audit Mission Statement](#) and [Management Charter](#) through the auspices of UCSD Audit & Management Advisory Services department.

IV. AUTHORITY

UCSD Audit & Management Advisory Services has been imbued with the responsibility and authority to carry out its function by virtue of:

- A. The [University of California Internal Audit Mission Statement](#), [Management Charter](#), and [Outline of the University of California Audit Management Plan \(Supplement I\)](#) provides direction and guidance for local campus implementation of a campus audit program, defines the objectives of the program, the responsibilities of the audit group, the reporting

channels, and certain personnel matters as endorsed by The Regents of the University of California.

- B. *The UCSD Audit & Management Advisory Services Management Charter (Supplement II)* establishes immediate authority, responsibility and accountability for executing internal audit functions as endorsed by the Chancellor and UCSD Audit Committee. This document correlates closely with the UC Internal Audit Mission Statement and Charter approved by the Regents.

Audit & Management Advisory Services is a management service function and as such, has no authority to direct anyone in operations to take action implementing any of its recommendations. These tasks are the responsibility of University management.

V. REPORTING CHANNELS

A. Organization and Structure

Organizationally, UCSD Audit & Management Advisory Services has a dual reporting relationship to both the Chancellor (or his/her delegate) and the University Auditor. Additional reporting responsibilities are to the President and the Board of Regents as required.

To ensure sufficient organizational status and independence in meeting its auditing responsibilities, Audit & Management Advisory Services reports functionally to The Regents through the Office of the University Auditor, and administratively to the UCSD Vice Chancellor-Resource Management and Planning.

A UCSD Audit Committee has been established to assist the Vice Chancellor in providing oversight of the internal audit function. The *UCSD Audit Committee Charter (Supplement III)* establishes the authority, composition, roles and responsibilities, and protocols of the Audit Committee; and, provides that Audit & Management Advisory Services meet with the Committee three times a year or more frequently as needed.

VII. RESPONSIBILITY

The internal audit function provides a management service comprised primarily of independent assurance and advisory activities. Responsibilities for management services provided include:

- A. Performing audits of campus and medical center operations and activities in accordance with the annual plan approved by the Audit Committee and Chancellor and submitted to Office of the President.
- B. Conducting investigations in accordance with the *Policy on Reporting and Investigating Allegations of Suspected Improper Governmental Activities*.
- C. Providing services in a consultation role as requested by management, business units, and academic administration when such requests are consistent with the professional expertise of the auditors and maintenance of an appropriate level of independence, and do not materially impact the accomplishment of the risk based campus annual internal audit plan.
- D. Reviewing campus compliance with University fiscal and administrative policies and procedures, conformance with governmental laws and regulations, and compliance with resource allocation and gift endowment restrictions.

- E.** Participating and providing appropriate support to campus and health sciences committees, work groups, task forces involved in the development, review and/or re-engineering of policies, procedures, and systems. In these endeavors, auditors will be cognizant of their appropriate role versus the role of management and will actively promote and advocate a sound system of internal controls in support of operational effectiveness and efficiency objectives.
- F.** Serving as the external audit coordinator working with external agencies having an audit interest in the University by:

 - 1. coordinating external audit activities for UCSD;
 - 2. resolving questions and providing guidance for UCSD departments involved in reviews;
 - 3. communicating external audit concerns to Campus and Health Sciences personnel on a proactive basis so that appropriate corrective action can be taken; and
 - 4. maintaining complete and accurate files of external audit activity for campus reference.
- G.** Supporting the Vice Chancellor - Resource Management and Planning, as the designated campus Whistleblower Coordinator, facilitating the adoption, implementation, and administration of local whistleblower procedures in support of the University policy.
- H.** Participating in the development of standards, audit planning methodologies, common audit programs, peer review programs, and other initiatives undertaken for the benefit of the entire University of California internal audit community.
- I.** Conducting audit, consultation and investigation activities in accordance with standards established for the entire University of California internal audit community.
- J.** Consulting with the University Auditor on any matter representing a conflict of interest, or the appearance of a conflict of interest on the part of the local internal audit department.

IV. PROCEDURES

A. Audit Planning

An annual audit plan will be prepared. The scope of the audit plan will include all activities at UCSD. In general terms this scope will encompass the campus, Scripps Institution of Oceanography, and UCSD Health Sciences. Audit & Management Advisory Services drafts the audit plan, presents it to the Campus Audit Committee and subsequently to the Chancellor for approval. The approved audit plan will be forwarded to the University Auditor for inclusion in the University of California Audit Plan presented to The Regents' Committee on Audit.

In selecting the areas for the audit plan, a risk assessment will be conducted by the UCSD Audit & Management Advisory Services office with participation by key UCSD management representatives. High risk areas will be identified and incorporated in the audit plan to the extent feasible considering resource constraints.

In addition to performing audits on the annual plan, Audit & Management Advisory Services will conduct supplemental audits, advisory services, consultations and investigations as determined appropriate to meet its objectives.

B. Audit Review

Internal audit procedures are tailored for the type of engagement involved. The general review process for a traditional audit is comprised of the following components:

1. Opening Conference

Internal Audit Services usually notifies the department of the audit by letter. An opening conference is conducted between members of the audit team (Director and Auditor in Charge) and departmental management. This meeting is for the purpose of discussing the audit process and clarifying the audit approach and scope.

2. Preliminary Survey

The auditor conducts a preliminary survey to become familiar with the department's activities and related systems of internal controls. This involves information gathering, which could include, but is not limited to, interviews with departmental personnel, flowcharting, review of the departments objectives, and a walk-through of the department's operations. As a result of the preliminary survey, the auditor develops an audit program that concentrates review to key areas that may have insufficient or weak internal controls or other areas specified for inclusion in the scope.

3. Fieldwork

During the fieldwork phase of the audit, the auditor accumulates, classifies and appraises information to measure and evaluate the effectiveness of specific control techniques within the department's control system. The auditor will discuss observations on areas where improvements may be appropriate with departmental management. This provides departmental management with the opportunity to take immediate action if needed, and validates the accuracy of the auditor's problem assessment.

Note: The above process does not necessarily apply for the conduct of an advisory service or investigation.

C. Communicating Results

Upon completion of fieldwork, the auditor documents and communicates the results of the audit by preparing an audit report draft, which generally explains the audit objectives, scope, observations, recommendations, and conclusions.

1. Review

Department management and the audit team meet to discuss the draft report. The purpose of the meeting is to review the auditor's recommendations and conclusions. Department management and the audit team works to resolve any open issues, misunderstandings regarding the accuracy and content of the

report, and, if possible come to agreement on management corrective actions to be taken to resolve open issues.

2. Distribution of Final Report

Internal Audit Services reports the results of the audit work in a signed, written report. The final report is normally distributed to:

- a. Chair of the client department,
- b. Cognizant Vice Chancellor/Director for the client department, and other senior management deemed appropriate by the Audit Director,
- c. Vice Chancellor- Resource Management and Planning
- d. University Auditor

3. Response

In order to provide for a balanced presentation of issues, management corrective actions taken during the course of the audit are generally noted in the final report. Department management is then requested to provide a written response to Internal Audit Services addressing any remaining recommendations which are included in the final report, and which have not yet been acted on. If disagreement with an observation or recommendations exists, management shall provide the rationale supporting the basis of the disagreement. These issues are then reviewed as needed with higher management for consideration of associated risk.

Note: The above process does not necessarily apply for the conduct of an advisory service or investigation.

D. Follow-Up

Internal Audit Services periodically follows-up to ascertain whether corrective actions which have been agreed to are achieving the desired results. The UCSD Audit Committee is informed of all significant open follow-up items. For those observations where no action has been taken, Internal Audit Services apprises appropriate levels of management of the risk involved. When follow-up is complete, a letter closing the audit is issued.

UNIVERSITY OF CALIFORNIA OFFICE OF THE PRESIDENT

Internal Audit Mission Statement

(Revised March 2004)

The mission of internal audit is to assess and monitor the university community in the discharge of their oversight, management, and operating responsibilities in relation to governance processes, the systems of internal controls, and compliance with laws, regulations and University policies including those related to ethical conduct by providing relevant, timely, independent, and objective assurance, advisory and investigative services using a systematic, disciplined approach to evaluate risk and improve the effectiveness of control and governance processes.

Internal Audit Management Charter

(Revised March 2004)

Authority

Internal Audit functions under the policies established by The Regents of the University of California and by University management under delegated authority.

Independence

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.

Independence is essential to the effectiveness of the Internal Audit Program. This independence is based primarily upon organizational status and objectivity:

The University Auditor reports functionally to The Regents through its Committee on Audit and administratively to the Senior Vice President—Business and Finance. The University Auditor also has direct access to the President of the University.

The locally based Internal Audit Departments report functionally to The Regents through the Office of the University Auditor and administratively to the campus Chancellor or Laboratory Director directly or through designated channels. (For reporting purposes, the Chancellor's designee shall be at the level of Vice Chancellor or above, and the Laboratory Director's designee shall be at the level of Associate Director or above.)

Internal Auditors may take directly to the respective Chancellor or Laboratory Director, the University Auditor, the President, or The Regents matters that they believe to be of sufficient magnitude and importance. Internal Auditors shall take directly to the University Auditor who shall report to the Senior Vice President—Business and Finance and The Regents' Committee on Audit Chair any credible allegations of significant wrongdoing (including any wrongdoing for personal financial gain) by or about a Chancellor, Executive Vice Chancellor or Vice President, or any other credible allegations that if true could cause significant harm or damage to the reputation of the University. Internal Auditors shall take directly to the University Auditor who shall report to The Regents' Committee on Audit Chair any allegations by or about the Senior Vice President—Business and Finance or the President. Any such matters will be reported to The Regents' Board Chair at the discretion of the University Auditor or Committee on Audit Chair.

In performing the audit function, the Internal Audit Office has neither direct responsibility for, nor authority over, any of the activities reviewed. Therefore, the internal audit review and appraisal process does not in any way relieve other persons in the organization of the responsibilities assigned to them.

Scope

Internal Audit is authorized to have full, free and unrestricted access to information including records, computer files, property, and personnel of the University in accordance with the authority granted by the Board's approvals of this charter and applicable federal and state statutes.

Except where limited by law, the work of Internal Audit is unrestricted. Internal Audit is free to review and evaluate all policies, procedures, and practices of any University activity, program, or function.

Standards

The responsibility of the Internal Audit Program is to serve the University in a manner that is consistent with the standards established by the University Auditor. At a minimum it shall comply with the relevant professional standards such as the *Standards For The Professional Practice of Internal Auditing*, and with professional standards of conduct such as the *Code of Ethics of the Institute of Internal Auditors, Inc.*

Outline of the University of California Audit Management Plan

[I. The University Audit Program](#)

[II. Objectives of the Internal Audit Program](#)

[III. Responsibilities of the Audit Group](#)

[IV. Reporting Channels](#)

[V. Certain Personnel Matters](#)

I. The University Audit Program is comprised of three elements:

- A. An external independent certified public accounting firm reporting to The Regents.
- B. The University Auditor's Office reporting functionally to The Regents through its Committee on Audit and administratively to the Senior Vice President-Business and Finance.
- C. Campus/Laboratory Internal Audit Departments reporting functionally to The Regents through the University Auditor and administratively to the Chancellors/Laboratory Directors or designee.

II. Objectives of the Internal Audit Program

To conduct a program of audits, consultations, and investigations which are of service to The Regents and management through the following activities:

- A. Reviewing management, financial, and operating controls to appraise their soundness and adequacy to advise management, and on matters of material import, The Regents, as to whether:
 - 1. The systems of internal control effected by the University's Board of Regents, management and other personnel, provide reasonable assurance regarding the achievement of objectives in the following categories:
 - Effectiveness and efficiency of operations

- Reliability of financial reporting
- Compliance with applicable laws and regulations;
- 2. Established plans, policies, and procedures are being complied with;
- 3. University assets are accounted for and safeguarded from loss.
- B. Providing recommendations to improve operating efficiency and internal controls.
- C. Providing consultation on current and proposed operating policies and procedures and changes in the system of internal controls.
- D. Conducting investigations in support of the University's compliance with laws governing improper government activities.

III. Responsibilities of the Audit Group

A. External Auditors

1. Perform, in accordance with generally accepted auditing standards, and government auditing standards an audit of the financial statements of the University to determine whether such financial statements present fairly the University's financial position changes in net assets and cash flows in accordance with generally accepted accounting principles.
2. Review the adequacy of the systems of internal controls related to the financial statement audits and render recommendations as appropriate.
3. Perform such additional financial or compliance audits as directed by The Regents.
4. Provide such accounting and other consultation as requested by management or The Regents.

B. Office of the University Auditor

1. Establish a relationship with the University's external auditors whereby annual plans are developed in concert, appropriate support is provided to the external auditors, and an active channel exists for sharing audit findings and other information of mutual interest and concern.
2. Analyze and evaluate University wide policies, plans, procedures and practices including those designed to assure ethical conduct.
3. Conduct investigations pursuant to the University Policy on Reporting and Investigating Allegations of Improper Governmental Activities within the Office of the President and at the campuses or laboratories at the request of the President, the Chancellor/Laboratory Director or their designee, or the campus/laboratory Internal Audit Director in the event of a conflict of interest.
4. Provide oversight and administration of compliance with the University Policy on Reporting and Investigating Allegations of Improper Governmental Activities.
5. With the Senior Vice President-Business and Finance, provide information with respect to material audit and investigation matters so as to keep the President and appropriate Regents adequately informed on a timely basis.

6. Coordinate and direct special non-recurring studies as requested by The Regents' Committee on Audit, the President, or other appropriate University officials.
 7. Coordinate all communications with the California State Auditor in connection with their investigations and requests for preliminary investigations by the University.
 8. Working with the campus/laboratory Internal Audit Directors, develop appropriate methodologies and objectives, and coordinate the preparation of annual and long-range University wide internal audit plans.
 9. Working with the campus/laboratory internal audit directors, establish documented standards for:
 - a. The conduct, documentation and reporting of audit, consultation and investigation activities;
 - b. Timely follow-up to assess whether appropriate action has been taken on reported audit findings;
 - c. Continuing education and a systematic training program for internal auditors;
 - d. Rotation of auditor assignments to enhance freshness and objectivity of audit perspective; and
 - e. The determination of appropriate minimum levels of audit staffing.
 10. Develop and oversee the conduct of a peer review program designed to assess and assure compliance with Institute of Internal Auditors and University adopted professional standards.
 11. Coordinate the development of, and archive model audit programs to avoid duplication of efforts.
 12. Facilitate and serve as a conduit for the sharing of information among campus/laboratory audit departments regarding planned audit efforts, significant audit and investigation findings of mutual interest and concern, audit reports issued, and the development of improved audit techniques/technologies.
 13. Provide research and technical support to campuses/laboratories as needed and requested.
 14. Provide, or facilitate the sharing of human resources among the internal audit departments as needed and available.
 15. Develop Guidelines for local campus/laboratory audit committees and serve as an ex officio member of each local committee.
 16. Oversee the campus, laboratory and Office of the President internal audit programs of comprehensive review and examination of policies and procedures to assure that all facets of the University are undertaking such in a clear, consistent and effective manner.
- C. Campus/Laboratory Internal Audit Departments
1. Audit campus/laboratory and medical center operations and activities in accordance with the annual plan submitted to the Office of the President.

2. Conduct investigations in accordance with University Policy on Reporting and Investigating Allegations of Improper Governmental Activities, keeping the University Auditor, Senior Vice President-Business and Finance and the General Counsel's office advised as called for by the Policy.
3. Provide services in a consultation role as requested by management, business units, and academic administration when such requests are consistent with the professional expertise of the auditors and maintenance of an appropriate level of independence, and do not materially impact the accomplishment of the risk based campus annual internal audit plan.
4. Review campus/laboratory compliance with University fiscal and administrative policies and procedures, conformance with governmental laws and regulations, and compliance with resource allocation and gift endowment restrictions.
5. Participate and provide appropriate support to campus/laboratory committees, work groups, task forces and the like involved in the development, review and/or re-engineering of policies, procedures and systems. In these endeavors auditors will be mindful of their appropriate role versus the role of management and will actively promote and advocate a sound system of internal controls in support of operational effectiveness and efficiency objectives.
6. As requested by the Chancellor/Laboratory Director, serve as external audit coordinator working with all external agencies having an audit interest in the University/Laboratory.
7. Support the whistleblower coordinator (Locally Designated Official) facilitating the adoption, implementation, and administration of local whistleblower procedures in support of the University policy.
8. Conduct audit, consultation and investigation activities in accordance with standards established for the entire University of California internal audit program.
9. Participate in the development of standards; audit planning methodologies, common audit programs, peer review programs, and other initiatives undertaken for the benefit of the entire University of California internal audit program.
10. Consult with the University Auditor on any matter representing a conflict of interest, or the appearance of a conflict of interest on the part of the local internal audit department.

IV. Reporting Channels

A. The University Auditor:

1. Reports administratively to the Senior Vice President-Business and Finance and functionally to The Regents through its Committee on Audit and has direct access to the President as circumstances warrant.
2. Provides formal reports to The Regents' Committee on Audit semi-annually, and at other times as requested. The University Auditor will take it as his/her responsibility to seek to establish an active channel of communications with the Chair of The Regents' Committee on Audit.
3. Meets with the Vice Chancellors/Deputy Laboratory Directors or other officials to whom internal audit functions report quarterly to discuss audit matters of University wide concern, to provide information on system wide internal audit initiatives and to promote consistency of internal audit oversight.

4. Conducts at least quarterly meetings of Internal Audit Directors forming a committee for the promulgation of auditing standards, practices and policies.
 5. Serves as ex-officio member of all campus/laboratory audit committees/work groups.
 6. Meets with Chancellors/Laboratory Directors and Vice Chancellors/Deputy Laboratory Directors as requested.
- B. Campus/Laboratory Internal Audit Directors:
1. Report administratively to the Chancellor/Laboratory Director and to The Regents' Committee on Audit through the University Auditor but have direct access to the President or The Regents' Committee on Audit as the circumstances warrant.
 2. When, pursuant to their redelegation authority, Chancellors/Laboratory Directors designate a position to whom the Internal Audit Director shall report, that position shall be at least at the Vice Chancellor/Deputy Laboratory Director level and the Chancellor/Laboratory Director shall retain responsibility for:
 - a. approval of the annual audit plan;
 - b. approval of audit committee/work group charter;
 - c. and shall meet with the Internal Audit Director at least annually to review the state of the internal audit function and the state of internal controls locally. When reporting responsibility is redelegated, Internal Audit Directors also have direct access to Chancellors/Laboratory Directors as the circumstances warrant.
 3. Facilitate the scheduling of local audit committee/work group meetings and provide staff support to the audit committee/work group.
- C. Direct Reporting to The Regents' Committee on Audit
1. Internal Auditors may take directly to the respective Chancellor or Laboratory Director, the University Auditor, the President, or The Regents matters that they believe to be of sufficient magnitude and importance. Internal Auditors shall take directly to the University Auditor who shall report to the Senior Vice President—Business and Finance and The Regents' Committee on Audit Chair any credible allegations of significant wrongdoing (including any wrongdoing for personal financial gain) by or about a Chancellor, Executive Vice Chancellor or Vice President, or any other credible allegations that if true could cause significant harm or damage to the reputation of the University. Internal Auditors shall take directly to the University Auditor who shall report to The Regents' Committee on Audit Chair any allegations by or about the Senior Vice President—Business and Finance or the President. Any such matters will be reported to The Regents' Board Chair at the discretion of the University Auditor or Committee on Audit Chair.
 2. Internal Auditors shall report directly to the University Auditor who shall report to The Regents' Committee on Audit Chair any allegations by or about the Senior Vice President-Business and Finance or the President. Any such matters will be reported to The Regents' Board Chair at the discretion of the University Auditor or Committee on Audit Chair.
 3. Internal Auditors shall report directly to the Senior Vice President-Business and Finance who shall report to the Chair of The Regents' Committee on Audit any allegations related to the University Auditor.

V. Certain Personnel Matters

- A. Action to appoint, demote or dismiss the University Auditor requires the approval of The Regents.
- B. Action to appoint campus/laboratory Internal Audit Directors requires the concurrence of the University Auditor. Action to demote or dismiss campus/laboratory Internal Audit Directors requires the concurrence of the President upon the recommendation of with the University Auditor.

UNIVERSITY OF CALIFORNIA SAN DIEGO

AUDIT & MANAGEMENT ADVISORY SERVICES MISSION STATEMENT

The mission of UCSD Audit & Management Advisory Services is to assist the University community in the discharge of its oversight, management, and operating responsibilities in relation to governance processes, the systems of internal controls, and compliance with laws, regulations, and University policies including those related to ethical conduct by providing relevant, timely, independent, and objective assurance, advisory, and investigative services using a systematic, disciplined approach to evaluate risk and improve the effectiveness of control and governance processes.

AUDIT & MANAGEMENT ADVISORY SERVICES CHARTER

Authority

Audit & Management Advisory Services functions under the policies established by The Regents of the University of California and by University management under delegated authority.

Independence

To permit rendering of impartial and unbiased judgment essential to the proper conduct of audits, internal auditors will be independent of the activities they audit.

Independence is essential to the effectiveness of the UCSD Audit & Management Advisory Services office. This independence is based primarily upon organizational status and objectivity:

Audit & Management Advisory Services has direct access to both the Chancellor (or designate) and University Auditor recognized by a dual reporting relationship. Audit & Management Advisory Services functionally reports directly to the Vice Chancellor - Resource Management and Planning as the Chancellor's designee, and meets three times per year with the UCSD Audit Committee.

Audit & Management Advisory Services may take directly to the Chancellor, University Auditor, University President, or The Regents matters that it believes to be of sufficient magnitude and importance.

In performing the audit function, Audit & Management Advisory Services has no direct responsibility for, nor authority over, any of the activities reviewed. Therefore, the Audit & Management Advisory Services review and appraisal process does not in any way relieve other persons in the organization of the responsibilities assigned to them.

Scope

Audit & Management Advisory Services is authorized to have full, free, and unrestricted access to information, including records, computer files, property, and personnel of UCSD in accordance with the authority granted by the Board of Regents approval of the Internal Audit Charter, and applicable federal and state statutes.

**UCSD POLICY AND PROCEDURE MANUAL
CAMPUS ORGANIZATION
SECTION 10-11 SUPPLEMENT II PAGE 2**

Effective: 9/15/04

Supersedes: 2/6/97

Issuing Office: UCSD Audit & Management Advisory Services

Except where limited by law, the work of Audit & Management Advisory Services is unrestricted. Audit & Management Advisory Services is free to review and evaluate all policies, procedures, and practices of any University activity, program, or function.

Standards

The responsibility of Audit & Management Advisory Services is to serve the University in a manner that is consistent with the standards established by the University of California internal audit community. At a minimum it shall comply with the relevant professional standards, such as the *Standards for the Professional Practice of Internal Auditing* and with the professional standards of conduct such as the *Code of Ethics of the Institute of Internal Auditors, Inc.*

UCSD Chancellor

UNIVERSITY OF CALIFORNIA SAN DIEGO

AUDIT COMMITTEE CHARTER

Authority

The UCSD Audit Committee functions under the Outline of the UC Audit Management Plan as revised by The Regents in March of 2004. The Committee functions in an advisory capacity to the Chancellor for the purpose of communication and coordination of internal audit and related matters. The Committee also permits a dialogue among a variety of local participants who collectively represent the customers of internal audit services.

Composition

Members of the UCSD Audit Committee shall be selected from senior administrative officers representing different segments of the campus community. There shall be two categories of Audit Committee members:

1. Ex-officio - those individuals who serve by virtue of their positions and who will remain on the Committee as long as they continue in their positions; and
2. Appointed - those individuals who are designated to serve by the Chancellor or designate.

Ex-officio members designated to serve for an indefinite period will include:

1. Vice Chancellor - Resource Management and Planning, who will serve as the Committee Chair
2. Director – Audit & Management Advisory Services
3. University Auditor

Appointed members will be selected from the following areas to serve a one-year term subject to indefinite reappointment:

1. Business Affairs
2. Academic Affairs
3. Health Sciences (3)
4. Office of the Controller
5. Administrative Computing
6. Scripps Institution of Oceanography
7. Student Affairs
8. Development

Roles and Responsibilities

The role of the Audit Committee is advisory to the Chancellor. In fulfilling this role, the Audit Committee shall:

- Assist in the identification of audit risk to the campus.
- Review and recommend to the Chancellor for approval an annual plan of audits and related services;
- Review and approve changes in the approved plan, and

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- Review audit results (external and internal), activity reports, the status of corrective actions, and other areas of audit concern.

Audit Committee Protocols

Meetings

The campus Audit Committee shall meet at least three times annually.

The chair of the Audit Committee shall meet periodically with the Chancellor, as needed to report on audit results and issues.

Meetings Agendas

The Chair of the Audit Committee shall ensure that written agendas are prepared and distributed to each committee member in advance of the scheduled meeting. Agendas should include sufficient time for discussion on non-agenda items in addition to planned topics.

Minutes

The Chair of the Audit Committee shall be responsible for distribution of the minutes to committee members. The Director, Audit & Management Advisory Services shall be responsible for ensuring that a file of committee meeting minutes is retained on a permanent basis. Copies of minutes of campus Audit Committee shall be made to the Chancellor and University Auditor at their request.

UCSD Chancellor