



UNIVERSITY INTERNAL AUDIT

Building Effectiveness, Efficiency, and Balance

Newsletter Issue No. 2, May 2019

This newsletter is used to communicate news and items of interest to the campus. If you have any suggestions or topics you would like us to address in future issues, please contact us at InternalAudit@calstatela.edu with "Newsletter" as the subject.

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- Risk and Internal Controls
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Risk and Internal Controls

Risk is a concept that auditors use to express their concerns about the probable effects of an event or condition occurring that will have an impact on the ability of an organization to achieve its objectives.

Internal controls are tools managers use to manage risks. An Internal control system is made up of procedures, policies and measures designed to make sure an organization meets its objectives, and mitigate risks that can prevent an organization from meeting its objectives. While the Internal Audit function is performed by internal auditors, **an internal control system is the responsibility of the organization's management**. An internal audit is a check that is conducted at specific times, where as an internal control system is responsible for checks that are on-going to make sure operational efficiency and effectiveness are achieved through the control of risks.

Office of Audit and Advisory Services (A&AS)

As campus employees you may have or will participate in audits conducted by the California State University (CSU) Office of Audit and Advisory Services (A&AS). A&AS is the CSU systemwide internal audit office that conduct audits of the 23 CSU campuses and the Chancellor's Office on various audit topics. Each campus is subjected to approximately four or five A&AS audits per year. Cal State LA's University Internal Audit Office coordinates and assists departments with the audits. A&AS audit reports are public reports that are shared with the CSU Board of Trustees.

In the News

- A newly released state audit has troubling findings related to LSU's U-High including questionable purchases and travel—March 18, 2019
<http://www.wafb.com/2019/03/18/audit-finds-multiple-issues-within-lsus-u-high/>
- The U.S. Department of Education has begun a probe into the eight colleges implicated in a federal investigation of admissions fraud. The eight colleges are Stanford, Georgetown, the University of Southern California, the University of Texas, Wake Forest University, the University of California at Los Angeles and the University of San Diego—March 26, 2019
<https://www.bloomberg.com/news/articles/2019-03-26/education-department-opens-probe-into-college-admissions-scandal>
- Duke to Pay \$112.5 Million to Settle Scientific-Misconduct Lawsuit—March 25, 2019
https://www.chronicle.com/article/Duke-to-Pay-1125-Million-to-245970?cid=wcontentgrid_6_4grid_2
- University of Illinois Missed Warning Signs of Research resulting in \$3.1 million penalty to the federal government—March 20, 2019
https://www.chronicle.com/article/U-of-Illinois-at-Chicago/245931?cid=wcontentgrid_6_32ad_5
- Ex-Washington University official sentenced for embezzling—March 8, 2019
<https://fox2now.com/2019/03/08/ex-washington-university-official-sentenced-for-embezzling/>