



INTERNAL AUDIT

(Part of the Senior Vice-Principal's Management Group)

1. Role

As part of the University's governance framework, Internal Audit provides independent assurance to Council via Audit and Risk Committee and to the University's senior management that:

- Key business processes and associated risks are being appropriately managed; and
- University's systems and processes are producing outcomes congruent with the achievement of the University's strategic and operational objectives.

Internal Audit provides assessments as to the efficiency and effectiveness of the internal control environment and risk management processes. It assists management at all levels in achieving objectives consistent with the University's strategic plan through providing:

- Detailed assessments as to the efficiency, effectiveness, economy, compliance and financial regularity of the University's operations; and
- Guidance and advice on operational processes and activities.

2. Powers

- The right of access to all premises of the University and the right to inspect all correspondence, files, records, accounts and all other forms of information held by the University as are necessary for the performance of audit duties; and

- The right to require all officers of the University to supply such information and explanations as are necessary for the performance of audit duties.

3. Interaction with Faculties and Departments

3.1 Initiated by Faculty/Department

- Advice on various financial and administrative matters such as those relating to travel, use of corporate card, asset disposals, contracts, outside work etc.
- Requests for audit opinions of various grant/program acquittals.
- Investigation into matters of possible fraud or impropriety.

3.2 Initiated by Internal Audit Office

The Office maintains a continuous review of activities of Faculties and Departments by utilising Continuous Monitoring Routines (CMRs) to interrogate the Themis Financial database for dollar value and type of expenditure. Areas of particular focus include expenditure charged to purchasing cards, travel, entertainment, reimbursements, equipment acquisitions and receipting. This background information is used along with our Audit Resource Management System (ARMS) a risk assessment profile and weighting to prioritise particular departments for review.

4. Areas of management/audit focus

- Risk Management practices and processes
- Any activity where there is a high level of discretionary activity/expenditure such as those mentioned above.

- Research management – research centres, CRCs, conflict of interest, reporting etc.
- Departmental business activities.
- Off campus activities.
- Leave management.

5. IT Audit

The following are the three main IT audit issues that Heads & DMs should consider:

- Access controls to local systems, eg password management, user account management, physical access and network perimeter access.
- Offsite storage and regular restore testing of backup media.
- Disaster Recovery Plan for local high risk systems that is aligned with the University's Business Continuity Plan.

6. Responsibilities of University Staff

The values and standards of behaviour that Council have adopted are covered in the Responsibilities of University Staff Policy within the Policy Library section UOM0135 Accountability and Audit section 3.5.1.

<http://policy.unimelb.edu.au/UOM0135#section-3.5.1>

Key elements of this policy cover the following areas of staff behaviour:

- Personal behaviour, outside work and conflict of interest;
- University finances;
- University equipment including computer equipment and software;
- Staffing decisions and equity; and
- Health and safety.

7. Fraud and Corrupt Conduct

The University of Melbourne is strongly committed to creating a workplace free of fraud and corrupt conduct and other serious wrongdoings. The University has a Fraud & Corruption Policy and a range of regulation, policies and procedures designed to guide and protect staff as they go about their daily activities.

Policy Library UOM0315 Accountability and Audit –
Section 3.5.2 Fraud and Corrupt Conduct
<http://policy.unimelb.edu.au/UOM0135#section-3.5.2>

Fraud includes theft, criminal deception; making false representations to gain an unjust advantage; and abuse of University property or time.

Theft is the dishonest appropriation of the University's property with intent to deprive the University of it permanently.

Corrupt conduct includes improper use of influence or position and/or improper use of information or other improper acts or omissions of a similar nature.

All reported incidents of suspected theft, fraud or corrupt conduct must be reported to the Internal Auditor immediately and prior to any investigation of such allegations being undertaken.

8. OHS Internal Audit

The University's internal OHS audit program is the responsibility of Internal Audit.

Further advice can be sought from Internal Audit or OHS Unit, OHS Advisors.

Web link: <http://www.pb.unimelb.edu.au/ehs/>

9. Staff

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11. Web site: <http://www.unimelb.edu.au/audit/>

(PDF version of this brochure is available on the Internal Audit web site.)

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10. Location - **Ground Floor**
723 Swanston Street

(downstairs from the Staff Development training rooms)