



## 2022 Workshop Series

- Welcome! Thank you for joining us. The workshop will begin shortly.
- Please check that you are on mute and your video is off.
- This workshop will be recorded.
- Workshop resources (slides, recording, etc.) will be distributed after the workshop.

Workshop #6

# Internal Audit

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**Alex Matos, Director, Internal Audit**

**Wendy Ng, Senior Auditor, Internal Audit**

Wednesday, June 15, 2022

# Land Acknowledgement

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"I (we) wish to acknowledge this land on which the University of Toronto operates. For thousands of years it has been the traditional land of the Huron-Wendat, the Seneca, and the Mississaugas of the Credit. Today, this meeting place is still the home to many Indigenous people from across Turtle Island and we are grateful to have the opportunity to work on this land."

# Access Check

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- Access is a shared responsibility between everyone in this workshop.
- If there is anything (presenter screen, sound, general tech issues) that may affect your participation in this session, please use the Zoom chat to send a private chat message to **Garin Ohannesyan**

# Agenda

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Who We Are

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RECAP: Objectives and Process

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Internal Audit RECAP Process

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Statistics and Common Deviations

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Questions & Answers

# Poll Question



# Internal Audit

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- ✓ The University of Toronto supports Internal Auditing as an **independent and objective assurance and consulting activity** designed to add value and improve the University's operations.
- ✓ Internal Audit **assists the University** in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and **improve the effectiveness of the University's risk management, control and governance** processes.

# Internal Audit

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- ✓ The Internal Audit Department is established by Governing Council Policy and its responsibilities are defined by this Policy and the Audit Committee of the Business Board as part of their oversight function.

Visit our website for more information:

<https://governingcouncil.utoronto.ca/internalaudit>



# Poll Question



# Research Expenditure Continuous Audit Program (RECAP) Overview

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What we do and how we do it



Review, assess, and report on research expenditure compliance;



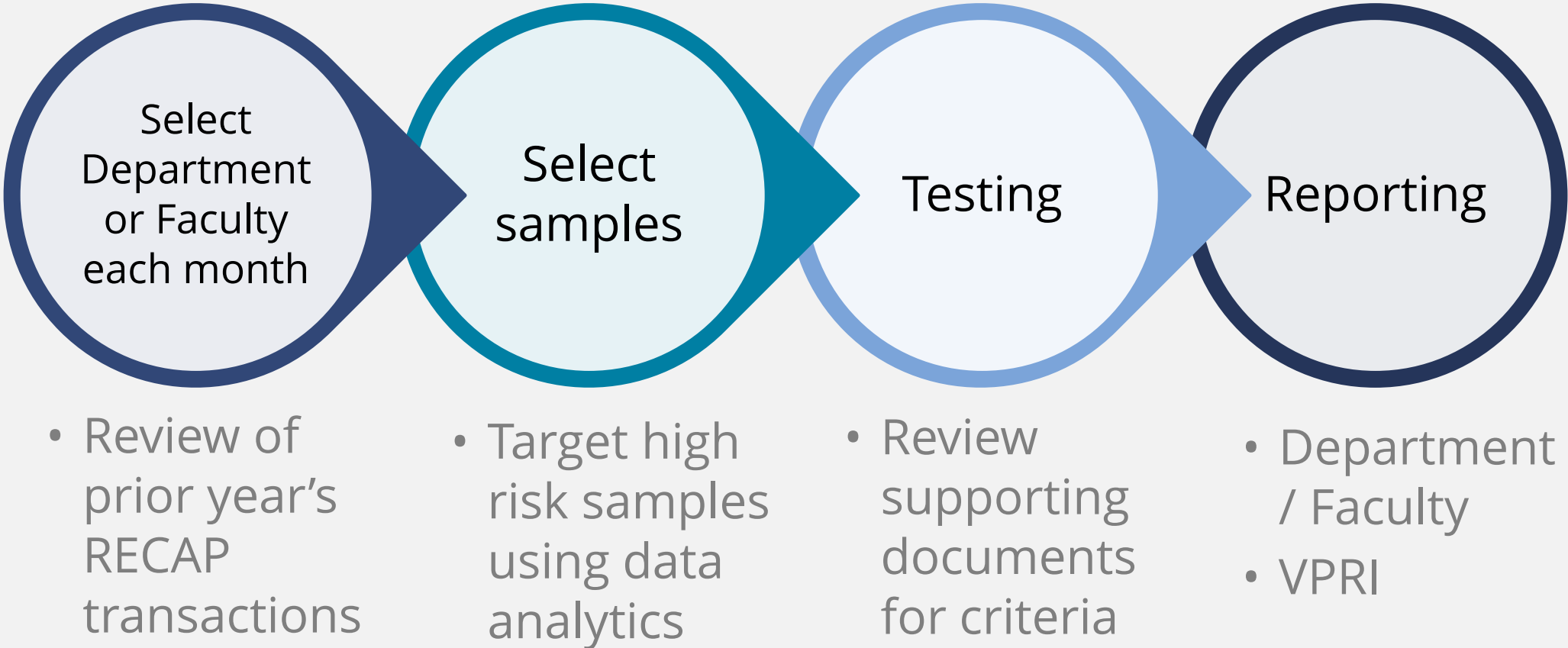
Create awareness about the importance of compliance;



Assist with training & education (e.g., STAR Conference).

# Internal Audit RECAP Process

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# RECAP - Sampling

Risk-based, by targeting transactions / categories of transactions

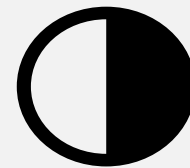
Expense  
Reimbursements

Invoices

PCards

## Sample Criteria:

Potentially ineligible charges



Possible duplicates or splits



Less known, higher value purchases

# RECAP - Criteria

Review of supporting documentation and records for:

Comply with TAGFA principles and directives, as well as University policies and procedures (GTFM) for appropriate use of grant funds

Eligibility



Information and details to substantiate purpose and relevance

Purpose



Supporting evidence/documentation to verify that expense has been incurred by the claimant

Supporting Document



# RECAP - Criteria

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Review of supporting documentation and records for:

Timing, amount  
and occurrence  
of expenditures

Accuracy



Claims to have  
grantee's approval,  
and be counter-  
signed where  
required

Authorization



Compliance  
with Procurement  
Policy, GTFM and  
other requirements

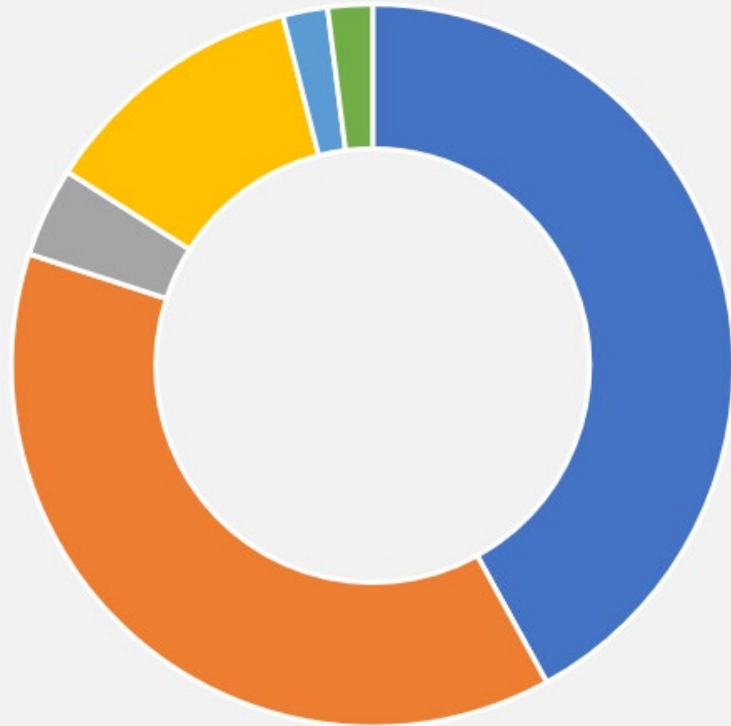
Other



# Poll Question



# Statistics (FY2021 Q4 and FY2022)



42% Supporting Documentation

38% Purpose

12% Other

4% Eligibility

2% Authorization


2% Accuracy

## Common Deviations

- Missing research purpose/relevance
- Supporting documentation, including missing receipts/invoices and proof of payment



# EXAMPLE

 **UNIVERSITY OF TORONTO**

**EXPENSE REPORT / ACCOUNTABLE ADVANCE SETTLEMENT** Financial Services Dept. (revised May 1, 2018)

TO BE COMPLETED BY CLAIMANT		Accounting Information - TO BE COMPLETED BY BUSINESS OFFICER								
Indicate reimbursement currency: For expense reimbursements in a currency other than CAD, <b>DO NOT</b> convert expenses to CAD value. <b>NOTE: Original receipts are required.</b>		<b>Claim Type:</b> Select claim type. Enter code, below, to complete G/L account. If G/L account is not listed, enter appropriate G/L account on "OTHER" line.								
<input checked="" type="checkbox"/> CAD <input type="checkbox"/> USD <input type="checkbox"/> Other		<input type="checkbox"/> 0 EMPLOYEE FIELD TRIP <input type="checkbox"/> 1 EMPLOYEE CONFERENCE <input type="checkbox"/> 2 STUDENT FIELD TRIP <input type="checkbox"/> 3 STUDENT CONFERENCE <input type="checkbox"/> 4 VISITOR	Business Area: Company Code: <b>UofT</b> Document Number:							
PERSONAL NUMBER	PERIOD OF TRAVEL	EXPENSE CATEGORIES	AMOUNT	G/L ACCOUNT NUMBER	TAX CODE	COST CENTER	INTERNAL ORDER	FUNDS CENTER	FUND	COMMITMENT ITEM
		AIRFARE: Attach proof of payment & proof of air travel (*)		8 4 0 1 0	ER					
Last Name	Initial	Travel within Canada		8 4 0 1 0	EE					
Address		Travel to USA from Ontario		8 4 0 1 0	E0					
Purpose and Relevance to University Business		All other Airfare		8 4 0 2 0	ER					
Camera, monitor purchase, video production online course purchases and Open access publication fee		ACCOMMODATION: ON (13%HST)		8 4 0 2 0	EN					
		PEI, NS, NF, NB (15%HST)		8 4 0 2 0	EE					
		All other provinces / territories		8 4 0 2 0	E0					
		USA / International		8 4 0 3 0	EA					
		ALLOWANCE: Per Diem: Canada								

“Camera, monitor purchase, video production online course purchases”

## EXAMPLE

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Follow-up response:

The three items listed are needed for **supporting the knowledge translation component of our research project**. We film experiments and produce videos that get posted to our website. The video production course was to provide my students and I a better understanding on how we could produce higher quality videos. The Fuji camera is used for filming experiments/presentations like the one above. The computer monitor was needed to support editing this type of video production as a secondary monitor that is difficult to do working from a small laptop display.

# Poll Question



# Summary

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Assess compliance with Tri-Agency principles and University requirements for research expenditures;



Review for eligibility, accuracy, authorization, supported by sufficient information/documentation, and documented grant-related purpose and relevance of the expenditure, so that it can be understood by an outside party;



The role of Internal Audit in creating awareness about compliance of research transactions to assist with mitigating the risk of non-compliance.

# Question & Answer

# Upcoming Workshops

Summer Break! See you in September!

# Feedback, please!



Thank you!