

Audit Division

The [MIT Audit Division](#) is an independent, objective entity that was established within the Institute to examine and evaluate internal control, risk management, compliance, and governance activities. The division offers analyses, appraisals, recommendations, and counsel and information about the activities the division reviews and it promotes effective control at reasonable cost. The Audit Division also provides the Risk and Audit Committee of the MIT Corporation with assurance that adequate systems of internal controls are present and maintained and that assets are properly safeguarded. The division's activities seek to promote good business practices and to enhance the Institute's governance structure.

Accomplishments and Highlights

The Audit Division is very proud of another year of adding value through executing the audit plan, acting in partnership with Institute management to enhance control structures, and working to support the Audit Committee. Noteworthy highlights include the following:

- **Approved charter**—The Audit Committee and MIT senior management approved a formal charter for the Audit Division, which had been operating without one. The professional internal audit standards that the division follows require a formal document that defines the internal audit activity's purpose, authority, and responsibility. The approved internal audit charter establishes the position of the internal audit activity within MIT, including the nature of the chief audit executive's reporting relationship with the board; authorizes access to records, personnel, and physical properties relevant to the division's duties; and defines the scope of internal audit activities.
- **Quality improvement**—Significant effort was spent on the revision of existing operating standards and the development of new ones to support efficient planning and auditing conducted in compliance with the International Standards for the Professional Practice of Internal Auditing. These efforts help ensure that MIT continues to have a solid basis for providing the highest quality professional internal audit services to the Institute.
- **Board effect**—The Audit Division successfully implemented an all-electronic materials mobile application (app) for the Audit Committee's use, beginning with the meeting on March 4, 2015. The app runs on an Apple iPad and allows Audit Committee members and Institute management to submit and view meeting materials electronically.
- **Campus Audit Services (CAS)**—CAS continued to provide broad coverage of Institute processes while focusing on key operational risk areas on the main campus and at off-campus locations (excluding Lincoln Laboratory). The CAS staff completed more than 30 assurance and advisory engagements across Institute processes in areas including academic and research, administrative, student and campus life, governance and communication, alumni and development, and legal and compliance, among others.

- Lincoln Laboratory Audit Services—Lincoln Laboratory Audit Services continued to provide internal audit services to support Lincoln Laboratory, a federally funded research and development center. At the request of Lincoln Laboratory’s management, Lincoln Laboratory Audit Services completed an evaluation of the processes involved in system changes in preparation for the renewed prime contract at Lincoln Laboratory. This advisory review provided the laboratory’s management with advice and recommendations regarding processes for managing the business requirements, system changes, and supporting activities related to contract transition.

Staff Transitions

Eileen Shea, manager of audit quality, returned to the private sector as an audit manager for a financial services company in November 2014. Eileen had been with the division for seven years. Rachel Kelly, senior auditor, left the division in February 2015. Rachel had been with the Division for 14 years.

Kim Ahern, manager of audit quality, and Carter Stubbs, senior information technology (IT) auditor, both joined the division in April 2015. Kim filled a redefined manager of audit quality position. Kim joined the division with 25 years of internal audit and public accounting experience. She holds a bachelor of arts degree in accounting /economics from the College of the Holy Cross and is a licensed certified public accountant in the Commonwealth of Massachusetts.

Carter filled a newly funded position. He joined the division with seven years of IT audit and consulting experience in several industries, including public accounting, oil and gas, and environmental services. Carter holds a bachelor’s degree of business administration in information and operations management from Texas A&M University and maintains professional certification as a certified information systems auditor.

Professional Development

As professional internal auditors, the members of the Audit Division are responsible for their own continuing education to enhance and maintain proficiency. One way in which internal auditors stay informed about improvements and current developments in internal audit standards, procedures, and techniques is by volunteering in professional organizations and making presentations at conferences and seminars. Along these lines, Kallie Firestone, senior compliance specialist, served the National Council of University Research Administrators (NCURA) as copy-editor for NCURA Magazine and also as co-chair of NCURA’s Financial Research Administration Program Planning Committee. Michael Bowers, associate director for business and technology audit services, presented “Doing More with Less: Innovations in Audit Reporting” at AuditWorld 2014 in September 2014.

Institute Activities

MIT’s governance structure is supported by a strong system of committees and councils. The Audit Division’s participation in these groups gives the division another opportunity to share its internal control expertise. It gives division staff access to venues

where information and opinions are shared openly and allows the division to continue enhancing the relationships its staff members build with administrators at all levels.

Nichole Valois, senior auditor, represented the division on the 2015 MIT Excellence Awards and Collier Medal Selection Committee.

Michael Bowers, associate director for business and technology audit services, and Michael Moody, Institute auditor, served as advisors to the Uniform Guidance Project leadership team.

Martha Jane Gagnon, associate director, standards and strategy, and Lincoln Laboratory Audit Services, served on the User Advisory Group.

Michael Bowers, Martha Jane Gagnon, and Michael Moody, Institute auditor, served on the MIT Risk Council.

Michael Moody also served on the following Institute standing committees:

- Administrative Systems and Policies Coordinating Council
- Budget and Finance Steering Group
- Institute Council on Environmental Health and Safety
- Policy and Procedures Coordinating Committee of the International Coordinating Committee
- Research Administration Coordinating Council

Antwon Ward, senior IT auditor, Kallie Firestone, senior compliance specialist, and Michael Moody, Institute auditor, represented the Audit Division at the “Collaborating for MIT’s Future” poster session in October 2014. The division, along with the Office of Risk Management and the Office for Insurance, created a poster, Partners in Informed Risk Taking.

Michael J. Moody
Institute Auditor