

Audit Division

The [MIT Audit Division](#) serves the MIT Corporation Risk and Audit Committee and Institute management by providing assurance and advice to management on the processes that achieve the Institute’s mission and recommending improvements.

The division delivers audit and advisory services to provide confidence that MIT is:

- Following processes that are compliant with policies, laws, regulations, and contracts
- Presenting information that is accurate and reliable
- Keeping assets safe
- Managing resources efficiently and economically
- Adhering to ethical practices

These services evaluate academic, research, and administrative processes and include support to the annual financial statement audit conducted by PricewaterhouseCoopers.

Fiscal Year 2022 Accomplishments and Highlights

The division met its overriding goal for the fiscal year 2022 plan to deliver clear and impactful evaluations and advice with value-added recommendations in consideration of the dynamic environment of change created by the pandemic. It completed the plan of audit and advisory engagements despite moderate client delays as Institute management focused attention on modes and platforms to work effectively and efficiently. Division operations remained fully remote with the exception of one in-person day required for all staff each month beginning in August, which provided regular opportunities for team building, personal connections with new staff members, and in-depth discussions of and demonstrations on functionality within the division’s newly implemented audit management system of record, AuditBoard. Additional on-site needs to conduct fieldwork arose on occasion. Throughout the year, division management purposefully surveyed stakeholders following audit and advisory engagement completion to understand preferred work modes—in person, remote, or hybrid—and related client preferences for communication.

Quality Assurance Improvement Program

In addition to regular standards update and deliverable review activities, discussions for the staff continued to provide exchanges on specific topics designed to enhance staff understanding of audit processes, inform division management decisions, and increase the division’s effectiveness. Examples of discussion topics included effective aspects of current audit methodology, engagement risk assessment criteria, and ratings for audit findings and overall engagements. Division manager meetings also engaged conversation on audit practices and data integrity. Project work focused on updating and streamlining audit standards and guidance across the division.

Professional standards promulgated by the Institute of Internal Auditors (IIA) that the division adheres to require the conduct of an external quality assessment (EQA) once every five years by a qualified independent assessor. The most recent EQA on behalf of the division was performed in April 2016. Audit management engaged a subsequent evaluation in spring 2022, having decided to defer this activity one year past the required cycle so as not to distract management attention from mission-critical priorities during the height of pandemic operations and to replace the audit management system of record run by the division for 16 years. Earlier consultation with IIA highlighted that a reasonable delay for the QAR (up to a year) would not affect the division's ability to perform under the International Standards for the Professional Practice of Internal Auditing; the division maintained a robust quality assurance improvement program that included ongoing monitoring and internal periodic assessments, which, according to the standards, are key measures reflecting overall conformance.

New Audit Management Platform

Following efforts to design workflows and configure data fields, division management implemented AuditBoard software in August 2021 as the division's audit management platform, streamlining audit planning, fieldwork, and reporting at both engagement and summary levels. The implementation presented an opportunity to further reengineer engagement processes to enhance efficiency and ensure continued compliance with the International Standards for the Professional Practice of Internal Auditing. All aspects of work and documentation for the plan were recorded within AuditBoard, as were follow-up initiatives to address open action items. Division management also developed a path to troubleshoot support requests and made available numerous office hours in person and remotely to ensure a successful platform launch.

The division's legacy audit management system, Pentana, transitioned from cloud installation to an on-premises resource.

Risk Assessment for 2023 Audit Plan

The 2023 plan was developed through the efforts of the division management team and senior auditors based on interactions with campus and Lincoln Laboratory management and staff during the year, prior year audit findings/coverage, visiting committee reports, information and insights from peer higher education internal audit organizations, and continuous monitoring of external forces and issues in higher education. The plan was further enhanced by discussions with more than 80 members of Institute management. Management considered risks identified in the Top Risk Dashboard compiled by Risk Management and Compliance Services (RMCS), strategic plans and significant initiatives of the Institute, and expected and unexpected effects of Covid-19-related decisions that could adversely affect internal control processes. Plan input factored in management discussions held quarterly with RMCS as well as discussions at other quarterly meetings with the Lincoln Laboratory Director's Office. Lincoln Laboratory Audit Services (LLAS) organized risk management coordination meetings that involved RMCS as a campus-based participant and the Mission Assurance Office, the Office of General Counsel, and the Environment, Health, and Safety Office as Lincoln Laboratory-based participants.

Departmental and Staff Transitions

Senior administrative assistant Emma Bagshaw left the division in April 2022. Bagshaw had been with the division for about four years.

Erin Coates, senior auditor for the campus audit services (CAS) team, left the division in June 2022. Coates had been with the division for about five years.

Marcia Wong, senior auditor for the CAS team, joined the division in July 2021. Wong has more than 15 years of audit, compliance, and consulting experience in both the public and private sectors. She holds a BS in computer science and business administration from Indiana University of Pennsylvania and an MBA from Northeastern University. She also maintains professional certification as a certified information systems auditor.

Vietnam Le, auditor for the LLAS team, transitioned to the division from the Lincoln Laboratory Property Office in January 2022. Le has 10 years of operational experience in the research and development, higher education, and for-profit sectors. He has also worked in the MIT Property Office. Le holds a BA in communications with a concentration in journalism from Suffolk University and an MBA with a concentration in finance from Endicott College. He is currently pursuing an MS in accountancy from the University of Massachusetts Dartmouth.

Christian Poulton started his new role as senior auditor for the LLAS team in May 2022. Poulton has more than five years of internal audit experience in both the public and private sectors. He holds a BS in accounting with a concentration in computer science from Siena College.

At the close of the fiscal year, two senior internal auditor positions remained open on the CAS team. Recruiting for a full-time position was in process; an offer had been made to a candidate whose intention was to begin employment with the division early in fiscal year 2023. Division management was not committed to hiring plans for the remaining open position.

Professional Development, Certification, and Engagement

Professional standards required a continuous level of professional development to ensure competence and enhance proficiency. Management worked with each staff member to ascertain individual needs for growth and development and planned training accordingly, staff attended various conferences, seminars, and webinars. Three members of the management team attended Audit + Beyond, a two-and-a-half-day conference hosted by AuditBoard.

Professional certification for staff members was held out as a goal and maintained through a program for personal professional development. The division held 20 certifications collectively.

One-way internal auditors stayed informed about improvements and current developments in internal audit standards, procedures, and techniques was by volunteering in professional organizations and presenting at conferences and seminars.

Institute auditor Michael Moody served on the Membership and Marketing Committee of the Association of College and University Auditors. He also served as an Association of College and University Auditors (ACUA) mentor for the fourth time.

Presentations and participation included the following:

- “Keys to Prudent Fiscal Management” by Kallie Firestone and Michelle Jackson, presented to administrators in the Media Lab
- “Salary Certification and Financial Review and Control” by Michael Moody, Kallie Firestone, and Michelle Jackson (in collaboration with the Office of the Vice President for Research and the Office of the Vice President for Finance), presented during Computer Science and Artificial Intelligence Laboratory principal investigator training
- “MIT Audit Division” by Michael Moody, Kallie Firestone, and Michelle Jackson for RA Community News
- “Service Auditor Reports” by Carter Stubbs and Bob Monteith, presented to MIT Benefits and intended to provide an understanding on using such reports to manage and mitigate vendor technology risks

In addition, Edgar Berrios and Michelle Jackson led a kickstarter (Control of Hazardous Energy: Lock Out Tag Out) for ACUA in November. Jackson and Martha Jane Gagnon attended the Ivy+ Audit Direct Reports Conference, hosted virtually by the Rochester Institute of Technology in February. Jackson’s presentation was titled “Research Administration Compliance Program,” and Gagnon presented “Internal Audit Staffing and Resourcing During COVID-19 Operations.”

Michael Moody virtually participated in a research roundtable hosted by Duke University and Baker Tilly in March. Vietnam Le was a member of the North Atlantic Chapter of the National Property Management Association and attended monthly meetings.

Michelle Jackson was awarded an MBA by Southern New Hampshire University.

Several division staff members attended MIT Human Resources courses and discussions as well as offerings during the Independent Activities Period.

Institute Activities

MIT’s governance structure was supported by a strong system of committees and councils. The division’s participation in these groups presented another opportunity to engage internal control expertise. It provided access to venues where information and opinions were shared openly and promoted trusting relationships with administrators at all levels.

Michael Moody served on the Budget and Finance Steering Group, the Institute Compliance Council, the Risk Advisory Team, and the ad hoc Data Classification Working Group. Also, he regularly attended the Institute’s Covid-19 pandemic update meetings.

The division continued to support the Data Analysts and Data Scientists Group, through which administrative staff across the Institute connect and share thoughts and experiences on leveraging data within local areas. The leaders have regrouped and plan a relaunch, gaining additional support and involvement from new areas around MIT. The group continues to build a community of administrative data professionals at MIT, break down departmental walls, advance analytics and data practices at the Institute level, and support related professional development opportunities.

As a Leader 2 Leader alumna, Martha Jane Gagnon participated in alumni programming. On a rotational basis, division staff attended faculty meetings throughout the academic year and shared takeaways at staff meetings.

Edgar Berrios and Marcia Wong both volunteered to support Commencement activities in person.

Michael J. Moody
Institute Auditor