

December 1, 2011

Internal Audit & Compliance, Board of Regents of the University System of Georgia. 404-656-2237

Office of Internal Audit & Compliance's (OIAC) mission is to support the University System of Georgia management in meeting its governance, risk management and compliance and internal control (GRCC) responsibilities while helping to improve organizational and operational effectiveness and efficiency. The OIAC is a core activity that provides management with timely information, advice and guidance that is objective, accurate, balanced and useful. The OIAC promotes an organizational culture that encourages ethical conduct

gWc dY jgXfj Yb VmhY WjYbHjg bYYXgUbX hY XY j YfUVY jgbc hUb Ui Xjhfydc fh"FUhYfzci f deliverable can range from a written consulting report to a process flowchart to an organizational chart. The deliverable and the scope are defined in a written charter signed by the audit team and the institution president.

Our office strives for approximately a 30/70 split between consulting and assurance engagements. Any USG institution may request a consulting engagement through a letter from the president to my office. A consulting engagement is a cost-effective alternative

Information Technology Governance - Important Yesterday, Critical Today  
By Matthew Harrell & Erwin (Chris) Carrow

Efficient governance is key for an institution to operate effectively. One part of governance that is often overlooked is In-

Zc-fa Uhc b'HY Wbc 'c [ mff#E' [ cj YfbUbVW "5VWc fX]b[ 'hc 'h.Y 'dg]h hY 'cZ-bHY fbU''5i X]rc fNg Dfc Z'ggc bU''DFUWhjW Ng: fUa Yk cf\_z  
I H.Y 'j bHY fbU''Ui X]hUWhj ]m must assess whether information technology governance of the organization sustains and sup-

In August 2011, the National Institute of Health (NIH) released its final regulations on the disclosure and management of





## Benford's Law and Spending Patterns By Ted Beck

0% , z5a Yf]WUbd\mg]Mgh: fUb\_6Ybz:fx i fYX]gWc:j YfYX i U'dUfYfb'k ]h]b'hY'gUhg]WU`X]gf]Vi hcb'cZ]fghX][ ]hg]b'U'geries

## Benford's Law and Spending Patterns, contd.

There are other ways to efficiently determine the number of times each digit occurs in the series, but the end result should be a short table from which one can analyze the distribution of these numbers among the data. The graphically inclined could even plot these frequencies, and compare them to the expected distribution:

This chart details a full fiscal year of AP transactions for a mid-size state university. The blue columns indicate the number of transactions with that respective first digit, while the red columns demonstrate the expected distribution according to Benford's Law. The blue columns are generally higher than the red columns, indicating that these expenditures were likely the product of naturally occurring business activity. These populations can be further limited to examine smaller portions of data (such as the transactions authored by a specific individual or department). The chart shows that the actual distribution of first digits in the data is significantly different from the expected Benford's Law distribution, with the digit '1' being the most frequent and the digit '9' being the least frequent.







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