

# The University of Toledo Finance and Audit Committee Meeting “Internal Audit and Compliance Update”

August 18, 2014



## About UT Internal Audit and Compliance

- Independently and objectively evaluates ...
  - ✓ Effectiveness and efficiency of operations
  - ✓ Reliability of financial reporting
  - ✓ Compliance with applicable laws and regulations
- Scope includes ...
  - ✓ Control Environment (“tone at the top”)
  - ✓ Risk Assessment
  - ✓ Control Activities (policies and procedures)
  - ✓ Information and Communication
  - ✓ Monitoring
- Organizational coverage includes ...
  - ✓ The University of Toledo (academic enterprise)
  - ✓ University of Toledo Medical Center (clinical enterprise)
  - ✓ University of Toledo Innovation Enterprises
- “Service Lines”
  - ✓ Financial, Operational, and Information Technology Audits
  - ✓ Control Self-Assessments
  - ✓ Commercial Contract Reviews
  - ✓ Business Process Improvement Projects (process engineering)
  - ✓ Other Advisory Services



## Fast Facts

- Organizational Scope:
  - ✓ Internal Auditing: Academic Enterprise, Clinical Enterprise, UTIE
  - ✓ Institutional Compliance: UTMC, Athletics, ADA
  - ✓ Other aspects of institutional compliance (HR, research, etc.) accountable to the Chief Compliance Officer (David Cutri)
- Headcount 9
- Average Annual # of Projects on Approved Audit Plan: 28
- Average Annual # of Special Requests: 20
- Audit Coverage of All High-Risk Business Processes: 6 years



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## FY2015 Audit Planning/Risk Assessment

- FY2015 audit planning process is complete
- UT Internal Audit employs a risk assessment planning program
- Input solicited from Finance and Audit Committee; senior leadership; external auditors
- Input included feedback on risk exposure, new initiatives, strategic plans
- Process and risk universes were developed using varied sources
- A risk model was used to "score" all potential processes to be audited
- David currently working with the Chief Financial Officer to ensure that there are sufficient resources to audit all high-risk projects
- Results of risk assessment are attached for your review
- Highlights of the FY2015 Proposed Internal Audit and Compliance Plan
  - ✓ Timely areas (HR reengineering, higher learning commission, joint commission, etc.)
  - ✓ Outside assistance (system penetration analysis, physician chart audits, etc.)
  - ✓ Consultative work in the Business Process Improvement area



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## FY2015 Proposed Internal Audit Plan

### Academic Enterprise

Human Resources/Payroll Process Engineering  
 Information Technology General Controls  
 International Faculty Hiring  
 Research Expenditures  
 Student Financial Aid  
 Revenues/Expenses (Athletics)  
 Higher Learning Commission Preparedness  
 Payment Card Industry (PCI) Security  
 Student Experience  
 System Penetration Analysis  
 University of Toledo Innovation Enterprises  
 Institutional Compliance  
 Recruiting Activities (Athletics)  
 Student-Athlete Academics (Athletics)  
 Student-Athlete Scholarships/Benefits (Athletics)  
 Academic Accommodations (ADA)  
 Facilities (ADA)  
 Web Accessibility (ADA)

### Clinical Enterprise

Joint Commission Preparedness  
 Charge Capture  
 Emergency Room  
 Health Care Informatics  
 ICD-10 Preparedness  
 Inpatient Physician Charts  
 Outpatient Physician Charts  
 Meaningful Use  
 Medical Center Operations  
 Health Science Campus (ADA)

\* Projects in progress indicated in red

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## Discussion on the Audit Process

- Are the University's efforts in the above areas consistent with your (Finance and Audit Committee's) view of the strategic plan?
- Do we need a course correction?
- Do you have suggestions or input?

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