



THE UNIVERSITY OF
TOLEDO

Internal Audit and Compliance

FY 2020

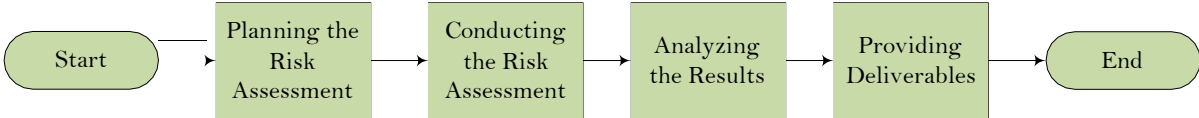
Annual Audit Plan

**University of Toledo
Audit Plan - FY 2020
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Executive Summary

The annual audit plan defines specific audit areas intended to be undertaken in the next year. An audit prioritization process consists of the following steps:



Step 1 - Planning the Risk Assessment: Perform research to identify audit universe.

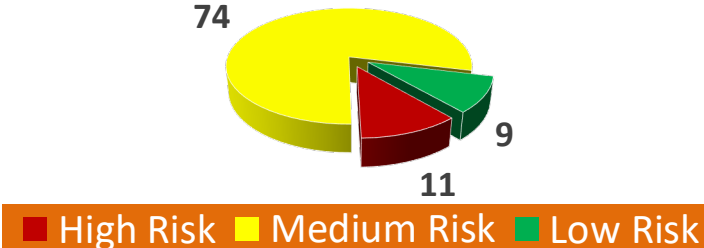
Step 2 - Conducting the Risk Assessment: Obtain client risk factor information.

Step 3 - Analyzing the Results: Assess based on audit universe and risk factors.

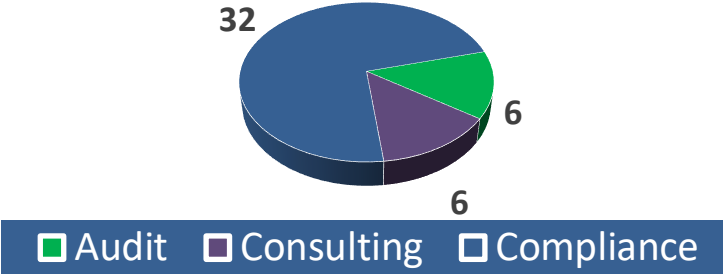
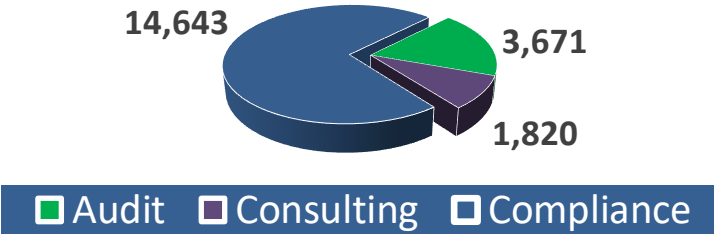
Step 4 - Providing Deliverables: Discuss audit plan priorities with University of Toledo Senior Management to obtain consensus. Obtain Finance and Audit Committee approval.

Risk Assessment Ratings Summary

Overall Risk rating (94 auditable processes)



Internal Audit – Time Allocation (5,491 hours; 12 projects)
 Institutional Compliance – Time Allocation (14,643 hours; 32 projects)



FY20 Annual Audit Plan – Project Summary

Division	Process/ Auditable Area	Overall Risk Rating	IA Service	Description of IA Activity
1. Finance & Adm.	Cash Handling	4.45	Consulting	Review procedures and controls pertaining to Cash Handling, and Planning for Minimizing/Reducing University's Cash Footprint.
2. – 14. Finance & Adm.	Compliance Risk Assessment	2.45 – 4.10	Compliance	Conduct a Compliance Risk Assessment of the following areas: <ul style="list-style-type: none"> • Auxiliary Enterprises Administration • Bookstore • Accounting • Accounts Payable • Capital Asset Depreciation • Financial Management Operations • Payroll • Revenue • Strategic Financial Management • Compliance • Hospital Equipment and Supplies • Physical Plant Administration • Grants Accounting
15. Legal Affairs	Minors on Campus	3.95	Consulting	Review procedures and controls pertaining to Minors on Campus.
16. Finance & Adm.	Infrastructure	3.95	Consulting	Review procedures pertaining to Maintenance of Infrastructure.
17. – 20. UTMC	Compliance Risk Assessment	3.45 – 3.90	Compliance	Conduct a Compliance Risk Assessment of the following areas: <ul style="list-style-type: none"> • Charge Capture and Collection • Hospital General Administration • Patient Care • Health Services
21. Stud. Affairs	Comp. Risk Assess.	3.80	Compliance	Conduct a Compliance Risk Assessment of student housing.
22. COMLS	Research Grants	3.75	Audit	Review procedures for administering the Ryan White Grant.
23. Finance & Adm.	Treasury	3.70	Audit	Review procedures and controls pertaining to Treasury Management.
24. Research	Research Comp.	3.65	Audit	Review procedures and controls pertaining to Research Compliance.
25. – 26. Enrollment	Compliance Risk Assessment	3.45 – 3.60	Compliance	Conduct a Compliance Risk Assessment of the admissions and financial aid areas.
27. Academics	Compl. Risk Assess.	3.45	Compliance	Conduct a Compliance Risk Assessment of instruction.
28. Finance & Adm.	Procurement	3.40	Consulting	Review procedures and controls pertaining to Procurement Practices.
29. – 30. IT	Compliance Risk Assessment	3.25 -- 3.35	Compliance	Conduct a Compliance Risk Assessment of IT Daily Operations (including cybersecurity) and IT Strategic Planning and Governance.
31. Finance & Adm.	Family and Medical Leave Act	3.30	Audit	Review procedures and controls pertaining to management of compliance with the Family and Medical Leave Act.
32. Athletics	Compl. Risk Assess.	3.15	Compliance	Conduct a Compliance Risk Assessment of Athletics (NCAA).
33. Academics	State Authorization	3.15	Compliance	Review procedures and controls pertaining to State Authorization of Online Degree Programs Compliance.
34. Finance/Adm.	Jeanne Clery Act	3.15	Compliance	Review procedures pertaining to compliance with the Clery Act.
35. Stud. Affairs	Sexual Misconduct	3.15	Consulting	Review procedures and controls pertaining to Sexual Misconduct.
36. Athletics	Compliance	3.05	Compliance	Review procedures pertaining to Intercollegiate Athletics Compliance.
37. COMLS	Clinical Trials	3.00	Compliance	Review procedures pertaining to Clinical Trials Compliance.
38. IT	Data Privacy	3.00	Compliance	Review procedures pertaining to Data Privacy (HIPAA and FERPA).
39. Athletics	FB Attendance	2.80	Compliance	Review procedures pertaining to NCAA Football Attendance.
40. Finance/Adm.	Security Report	2.65	Compliance	Issue the University's Annual Security and Fire Safety Report.
41. Athletics	NCAA Agreed-Upon Procedures	2.60	Audit	Review procedures and controls pertaining to financial management via the NCAA Agreed-Upon Procedures.
42. Finance/Adm.	Incentive Comp.	2.15	Audit	Review procedures pertaining to Incentive Compensation.
43. Finance/Adm.	Form I-9	2.00	Consulting	Review procedures pertaining to the Form I-9 Onboarding Process.
44. UTMC	UTMC Compliance	2.00	Compliance	Review procedures and controls pertaining to UTMC Compliance.

Estimated Quarterly Engagement Schedule – FY20

Engagement	Level of IA Effort	Q1	Q2	Q3	Q4
1. Cash Handling, and Planning for Minimizing/Reducing University of Toledo's Cash Handling Footprint	Large				X
2. – 14. Compliance Risk Assessment – Division of Finance and Administration (Compliance)	Large		X		
15. Minors on Campus	Medium		X		
16. Maintenance of Infrastructure	Small-Medium			X	
17. – 20. Compliance Risk Assessment – University of Toledo Medical Center (Compliance)	Large	X			
21. Compliance Risk Assessment – Student Affairs (Compliance)	Medium		X		
22. Ryan White Program	Small	X			
23. Treasury Management	Large				X
24. Research Compliance	Small		X		
25. – 26. Compliance Risk Assessment – Enrollment Management (Compliance)	Large		X		
27. Compliance Risk Assessment – Academic Affairs (Compliance)	Medium		X		
28. Procurement Practices	Large			X	
29. – 30. Compliance Risk Assessment -- Information Technology (Compliance)	Large	X			
31. Family and Medical Leave Act	Small		X		
32. Compliance Risk Assessment – Intercollegiate Athletics (Compliance)	Medium	X			
33. State Authorization of Online Degree Programs Compliance (Compliance)	Small			X	
34. Jeanne Clery Act (Compliance)	Small-Medium			X	
35. Sexual Misconduct	Medium			X	
36. Intercollegiate Athletics Compliance (Compliance)	Small-Medium			X	
37. Clinical Trials Compliance (Compliance)	Small-Medium				X
38. Data Privacy (HIPAA and FERPA) (Compliance)	Small-Medium				X
39. NCAA Football Attendance (Compliance)	Small-Medium			X	
40. Annual Security and Fire Safety Report (Compliance)	Small-Medium	X			
41. NCAA Agreed-Upon Procedures	Small	X			
42. Incentive Compensation	Small	X			
43. Form I-9 Employee Onboarding Process	Small				X
44. UTMC Compliance (Compliance)	Medium				X

1 Introduction, Mission, Purpose & Requirements

Introduction

The annual audit plan is goal-oriented and defines specific audit areas intended to be undertaken in the next year.

The objectives for the compilation of an effective annual audit plan are:

- Scheduling of activities identified in the annual audit plan must be realistic;
- Completion of planned activities must be achievable; and
- Audit cycle for each activity must be completed.

This Audit Plan contains key information on expected audit activity for fiscal year 2020. The plan is based on the results of the annual risk assessment process.

Mission

The University of Toledo's Internal Audit Department will provide independent, objective assurance and consulting activities designed to improve management practices, identify operational improvement, and reduce the University of Toledo's risk exposure.

Purpose

Internal Audit's audit plan focuses on the following objectives:

- Develop an Internal Audit Annual Plan based upon risk
- Focus on areas of higher risk, strategic importance, or University of Toledo audit priority
- Provide University of Toledo with value added recommendations to improve controls, mitigate identified risks, and increase efficiency within operations

The scope of work of Internal Audit is to determine whether the University of Toledo's framework of risk management, control, and governance processes, as designed and represented by Board and management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed;
- Interaction with various governance groups occurs as needed;
- Significant financial, managerial, operating information is accurate, reliable, & timely;
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- Resources are acquired economically, used efficiently, and adequately protected;
- Programs, plans, and objectives are achieved;
- Quality and continuous improvement are fostered in control processes;
- Significant legislative or regulatory issues impacting the University of Toledo's fiscal operations are recognized and addressed appropriately; and
- Adequate controls are incorporated within new systems and processes.

Requirements

The Institute of Internal Auditor's (IIA) *International Standards for the Professional Practice of Internal Auditing (the Standards)* govern the framework to be followed by the University of Toledo's Internal Audit activities.

When developing the annual Internal Audit plan the following IIA guidance must be considered:

Standard 2010 – Planning: The chief audit executive (CAE) must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization's goals.

Standard 2010.A1: The internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.

IIA Practice Advisory 2010-1: Linking the Audit Plan to Risk and Exposures:

“In developing the internal audit activity's audit plan...first develop or update the audit universe. The audit universe is a list of all the possible audits that could be performed. The CAE may obtain input on the audit universe from senior management and the board.”

“The CAE prepares the internal audit activity's audit plan based on the audit universe, input from senior management and the board, and an assessment of risk and exposures affecting the organization.”

“Audit work schedules are based on, among other factors, an assessment of risk and exposures. Prioritizing is needed to make decisions for applying resources.”

The University of Toledo's Internal Audit activities must also align to audit planning requirements identified within the Internal Audit Charter, specifically:

Responsibility under Internal Audit Charter:

“Conduct an annual risk assessment and produce a flexible risk-based audit plan...based upon risks and control concerns identified by the Executive Director of Internal Audit and Chief Compliance Officer (Executive Director), Board Members, management...and will periodically be updated.”

“The Finance and Audit Committee retains the right to approve the annual audit plan presented by the Executive Director. The Executive Director shall periodically inform the Finance and Audit Committee of the status of the audit plan and any changes needed.”

“The internal audit plan will consist of a work schedule as well as budget and resource requirements for the next fiscal year.”

“The Executive Director will implement the approved audit plan and any plan amendments, special tasks or projects requested by management or the Finance and Audit Committee and agreed to by the Executive Director.”

“The Executive Director may occasionally need to obtain expertise of persons outside of the Internal Audit Department. This expertise may be obtained within the organization through appropriate arrangements with management. Expertise may also be obtained from outside University of Toledo through contracts. The Finance and Audit Committee should be informed about the use of all external consultants obtained.”

Internal Audit's Operations Manual requires the Executive Director to develop a risk-based plan. The methodology for the completion of the annual audit plan shall consider the following:

- Organization's risk management framework or an alternative approach if a framework does not exist;
- Organization's identification and management of its strategic objectives and whether strategic risks and new initiatives are managed to an acceptable level;
- Input from key stakeholders (Board members, University of Toledo executive leadership, department directors) on audit priorities that may impact students, patients, external stakeholders, or the University of Toledo;
- Determine staffing resource availability and capability;
- To minimize duplication of effort and to maximize the amount of coverage achieved, consider audits planned by the external auditor and other assurance providers;
- Consider emerging issues resulting from the continuous update of the University of Toledo risk profile;
- Include engagements that focus on revenue enhancement or economy of operations for certain University of Toledo processes (sources may include financial statements, annual budget);
- Identify areas potentially subject to continuous auditing, leveraging any University of Toledo risk management framework;
- Accept consulting engagements based on the engagement's potential to improve management of risks, add value, and improve the University of Toledo's operations; and
- Consider common risk area profiles which could result in an enterprise audit across University of Toledo departments with similar risk factors.

This document describes the systematic process used by internal audit to develop its risk assessment and annual audit plan process. Risk assessment is inherently subjective; as such, quantitative analysis is supplemented with Internal Audit judgment and management input.

Internal Audit's risk assessment is solely for the purpose of developing the IA plan and focuses on auditable entities, not the entire universe of risks facing University of Toledo. Also, the assessment does not seek to determine or evaluate management's risk tolerance or risk appetite.

The annual audit plan will be reviewed every three months to determine:

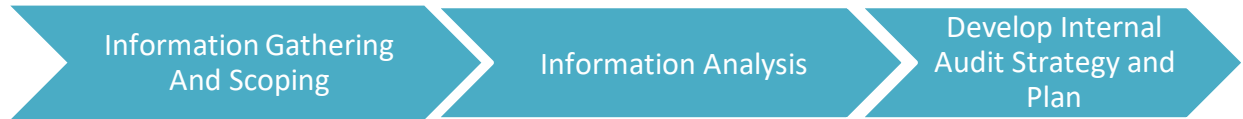
- Any significant variations to the original plan arising from the under or over assessment of the time required for audit projects;
- Effects of unforeseen events that significantly impacted the timetabling of audit projects;
- Rescheduling because of staff changes;
- Percentage of IA audit effort devoted to assurance and consulting engagements; and
- Other metrics developed in coordination with the Finance and Audit Committee

Amendments to the annual audit plan arising as a result of the quarterly review shall be presented by the Executive Director to the University of Toledo Finance and Audit Committee.

2 Audit Prioritization Process

The FY20 Internal Audit Plan is designed to provide audit coverage across the entire organization by deploying Internal Audit resources in an effective and efficient manner.

The following approach was taken in creating the risk assessment and Audit Plan:



2.1 Information Gathering and Scoping

- A. Understand industry trends/risks via discussions with industry and audit professionals, reading publications, attending relevant training
- B. Understand University of Toledo strategic objectives and new initiatives by reviewing the strategic plan, annual financial statements, quarterly operations reports, and annual budgets
- C. Develop and update Internal Audit's risk assessment and audit planning methodology
- D. Use prior audit plan as starting point of auditable risk areas/ audit universe

2.2 Information Analysis

- A. Update audit universe and preliminary risk assessments based on research and review of University of Toledo operations and higher education
- B. Interview University of Toledo leadership to gain understanding and input on audit universe, ratings and input on internal audit priorities/ value add opportunities
- C. Develop proposed Audit Plan based on interviews, risk assessment, resource availability, budget, third party assurance coordination, and coverage by risk and department

2.3 Develop Internal Audit Strategy and Plan

- A. Present University of Toledo leadership with:
 - Risk assessment results
 - Planned Internal Audit's audit and consulting projects
- B. Submit preliminary Internal Audit plan to Finance and Audit Committee for review

Appendix A contains a detailed listing of the Audit Universe – Highest to Lowest

Appendix B contains a detailed listing of the Audit Universe – By Department

3 Risk Based Audit Methodology

Organizations implement risk management processes to identify risks that threaten their capability of achieving their objectives and successful execution of their business strategies. Through an integrated risk management approach, senior management determines how much risk they are willing to accept (e.g. level of acceptable risk). Senior management's approach to risk management must be undertaken as a continuous process of:

- Establishing risk management objectives, tolerances & limits for the University of Toledo's significant risks;
- Assessing risks within the context of established tolerances;
- Developing cost-effective risk management strategies and processes consistent with the University of Toledo's overall goals and objectives;
- Implementing risk management processes;
- Monitoring and reporting on the performance of risk management processes;
- Improving risk management processes continuously; and
- Ensuring adequate communication and information for decision making.

The continuous improvement cycle for risk management illustrates the need for University of Toledo management to define, be aware of and manage their inherent and control risks.

IA should assess whether risk management processes are effective by determining:

- Organizational objectives support and align with the University of Toledo's mission;
- Significant risks are identified and assessed;
- Appropriate risk responses are selected that align risk with the University of Toledo's risk appetite; and
- Relevant risk information is captured and communicated in a timely manner across University of Toledo, enabling management to carry out their responsibilities.

Internal Audit recognizes that University of Toledo is at the initial stage of developing its enterprise risk management program. IA will engage and work collaboratively with University of Toledo management, and the Enterprise Risk Management Officer, as they implement their program. As the enterprise risk management develops, IA will incorporate the ERM assessments within the IA risk assessment used for audit planning purposes.

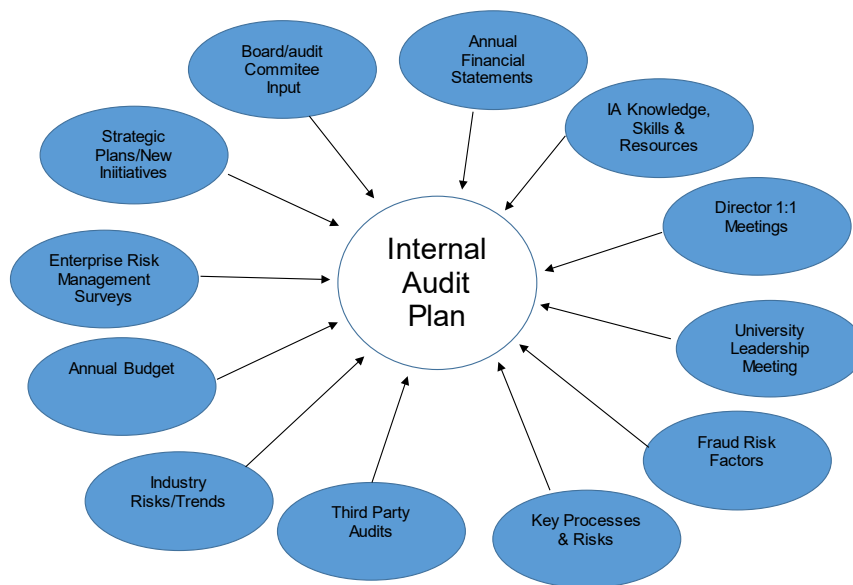
3.1 Risk Methodology Framework

The risk methodology framework and strategy can directly impact risk assessments and planning within the internal audit function. Internal Audit will utilize the methodology as one factor in the course of developing its strategic and annual plans. The process will help ensure higher risk areas are identified and prioritized in the conduct of the audit plan and assignment of internal audit resources.

A risk assessment methodology applies across an entire organization. Each department is responsible for the application of the methodology in their respective areas and aligning to the organizational strategic risk management approach.

3.2 Identification of Audit Universe

The audit universe is reviewed annually as part of the planning process. The audit universe is risk-based and IA leverages management and Finance and Audit Committee input, as well as IA knowledge of operations, financial statements, budgets, professional judgment, comparative higher education risks, and brainstorming techniques to identify potential risks. The following factors are considered when developing the audit universe and priorities for annual plan consideration:



NOTE: FY20’s plan involved extensive independent research, coordination with other assurance service providers, and management’s involvement in identifying audit priorities - including 8 departmental/senior leadership meetings involving over 25 leaders. The University of Toledo’s ERM was involved in these meetings and as the program becomes more established will provide added input on risk.

Internal Audit (IA) will evaluate the auditable areas and make modifications throughout the year based upon changes to the University of Toledo’s risk profile. IA will also participate in the University of Toledo’s strategic planning process and align IA’s plan with appropriate assurance and consulting activities.

3.3 Risk Factors and Weighting

In prioritizing the risks identified, consideration is given to the likelihood of occurrence and consequence, or impact, in the event of occurrence. In weighting risk factors, IA utilizes risk factors from IIA guidance, historical knowledge of academic affairs, and internal auditing best practices. The overall goal of the risk scoring approach is to ensure that IA audits of high and moderate risk areas receive the largest concentration of audit effort over multiple years.

Once various risk factors are rated, they are weighted in order to arrive at a composite risk score for each area. The composite risk score is then used to determine areas to prioritize in the annual audit plan. Risk factors and assigned weighting are as follows:

Risk Factors	Weight	Description
A. Control Design and Effectiveness	20%	Assessed reliability of internal controls are important in judging the likelihood of errors in the system; consider known problems/prior audit results
B. Impact to Students, Patients, Stakeholders, Members of the Public, Reputation	20%	Impact to University of Toledo's constituents; management or other stakeholder concerns can influence the priority of an auditable area; consider reputational impact to University of Toledo by failure of a sensitive process
C. Changes in Organization, Programs, and Operations	15%	A dynamic change to systems/processes/people, increases probability of efficiencies as well as errors
D. Complexity of Activities, Operations, and/or Systems	15%	Degree of process complexity or perceived impact of IT controls
E. Dollar Materiality/Operational Impact	15%	Financial statement impact, relative importance, or sensitivity to ongoing operations
F. Impact of Fraud, Waste, or Data Loss	15%	Impact of illegal acts, wasteful spending, or sensitive data loss can result in a heightened consequence regardless of the dollar amount

A. Control Design and Effectiveness

The assessed reliability of the internal control system is important in judging the likelihood of errors in the system. Internal controls consider the adequacy of written procedures and whether controls have been previously tested.

B. Impact to Students, Patients, Stakeholders, and Public Reputation

Management or other stakeholder concerns can influence the priority of an auditable area and could take priority over other risk factors in some cases. The reputation of University of Toledo can be impacted by failures in certain sensitive processes. Amount of impact the audit area has on the University of Toledo's constituents. Includes concern for public perception. Concern about adverse publicity; laws and regulations; customer demands; and political exposure.

C. Changes in Organization, Programs and Operation

A dynamic environmental change, in terms of systems/processes/people, increases the probability of efficiencies as well as errors occurring. Changes in operations can impact the efficiency and effectiveness of the organization's performance. Criteria include changes in staff size, processing changes (manual to computerized), systems (input and/or output), as well as staff turnover. This area includes concerns of rapid growth in personnel size or additional programs added to an operational area.

Changes in operation to meet statutory, regulatory, and legal requirements, and/or to address organizational restructuring including modifications to manual or automated procedures such as increased use of technology. Changes in operations since this area was last audited may have a significant impact on accuracy and timeliness of work completed, efficiency and effectiveness of operation, and the reliability of work products and records.

D. Complexity of Activities, Operations, or Systems

Complexity includes amount of time, number of steps, techniques or procedures, degree of difficulty, training necessary, and interaction with other organizations/divisions necessary to complete a work task or process a transaction. Complexity can increase both the probability of error and the effort required to monitor the system. Includes complexity of federal and state laws, rules and regulations governing a program.

Computer applications affect the accuracy and timeliness of completed work tasks, as well as the productivities of the staff. Information systems should process information in a secure, reliable and accurate manner.

Age, condition, efficiency and effectiveness of the data processing system specific to this audit area, and the perceived impact of general information technology controls related to: consistent use of an acceptable systems development methodology (including programmer and user documentation and testing procedures), consistent use of an acceptable project management system, effective computer maintenance change controls (to assure application program changes are properly authorized, managed, and recorded), and effective logical access security to guard against unwarranted access and unauthorized changes to computer programs or data.

E. Dollar Materiality/Operational Impact

Materiality focuses on the organizational impact due to financial statement materiality, relative importance, and/or sensitivity to negative public exposure of a process or system.

F. Impact of Fraud, Waste, or Data Loss

Risk inherent in a process or system that employees (including management) individually, or in collusion with others, commit fraud, resulting in financial loss or unauthorized use of financial instruments, physical assets and/or confidential information. For IT systems, also consider the level and type of security threat(s) present (e.g., a firewall has a higher level of security threat associated with it than an internal file server).

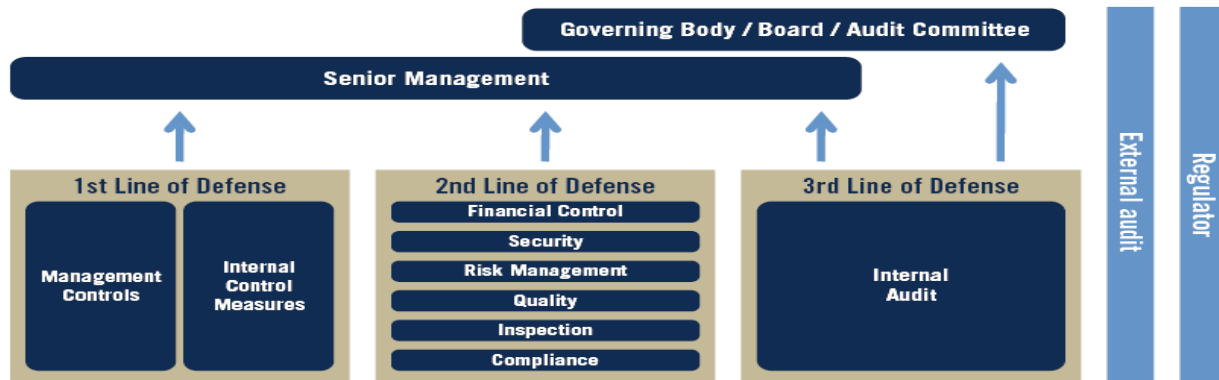
The composite risk rating system is a point in time assessment and ratings may vary based on an individual's perspective or recent event history. Ratings are designed to evaluate University of Toledo risk exposures related to governance, operations, and information systems regarding achievement of their strategic objectives; reliability of financial information; effectiveness and efficiency of operations; safeguarding of assets; and compliance with laws, regulations, and contracts.

To minimize the potential for duplication of effort and to maximize the amount of coverage achieved, the Executive Director will consider other assurance providers (both internal and external) and their scope and intended reliance by internal audit.

3.4 Coordinated Audit Coverage

After assessing risk-ratings against the audit universe, an evaluation of third-party assurance activities was conducted to maximize audit coordination efforts and coverage.

The Three Lines of Defense Model



Adapted from ECIIA/FERMA *Guidance on the 8th EU Company Law Directive, article 41*

NOTE: Internal Audit's plan incorporates audit coverage from external audit; 3rd party external reviews within Executive, Academic Affairs, Clinical Affairs, Finance and Administration and 2nd Line of Defense the University of Toledo's monitoring within compliance, accounting, and IT security. Internal Audit's review of selected auditable units is not intended to offer a complete opinion on every aspect of the category. Rather, Internal Audit judgmentally evaluates the auditable unit and focuses its scope and objectives on key risks and controls to evaluate and report the results to the Committee. University of Toledo is not "relying" on the work of the external auditors, rather avoiding duplication of efforts by not allocating Internal Audit hours to these areas.

Appendix A

Risk Rating – Highest to Lowest

UNIVERSITY OF TOLEDO 2020 Risk Assessment - High to Low Risk	Risk Factors						Combined Risk Rating	Risk Rating	Last Year Audited	Internal Audit and Compliance Planned Coverage	Planned Hours	External Audit	Other 3rd Party	University of Toledo Control Monitoring
	20%	20%	15%	15%	15%	15%								
Auditable Area	A. Control Design and Effectiveness	B. Impact to Students, Patients, External Stakeholders, Public Reputation	C. Changes in Organization, Programs, Operations	D. Complexity of Activities, Operations, or Systems	E. Dollar Materiality/Operational Impact	F. Impact of Fraud, Waste, or Data Loss								
Cash Handling and University Cash Footprint	3	5	4	5	5	5	4.45	High	FY2017	Internal Audit	910	X		X
Grants Accounting	2	5	4	4	5	5	4.10	High	FY2018	Compliance	460			X
Minors On Campus	2	5	4	4	5	4	3.95	High	-	Internal Audit	450	X		X
Maintenance of Infrastructure	3	4	4	4	5	4	3.95	High	FY2017	Internal Audit	450	X		
Hospital General Administration	2	4	4	5	5	4	3.90	High	-	Compliance	460	X		X
Financial Mgt Operations	3	4	4	3	4	5	3.80	High	FY2016	Compliance	460			
Housing	2	5	3	3	5	5	3.80	High	FY2019	Compliance	460			X
Accounting	2	4	3	4	5	5	3.75	High	FY2016	Compliance	460	X		
Auxiliary Enterprises Administration	2	4	3	4	5	5	3.75	High	-	Compliance	460	X		
Patient Care	3	3	3	4	5	5	3.75	High	FY2019	Compliance	460	X		
Research Grants (selected grants)	3	3	3	4	5	5	3.75	High	-	Internal Audit	300			
Charge Capture & Collection	3	5	4	3	5	2	3.70	Medium	FY2016	Compliance	460	X	X	
Treasury Management	4	4	4	3	2	5	3.70	Medium	-	Internal Audit	760	X		
Research Compliance	2	5	3	3	5	4	3.65	Medium	FY2018	Internal Audit	300			
Financial Aid	2	4	3	4	5	4	3.60	Medium	FY2017	Compliance	460		X	
Capital Asset Depreciation	3	4	2	5	3	4	3.50	Medium	-	Compliance	460			X
Physical Plant Administration (incl. construction)	2	5	4	4	5	1	3.50	Medium	-	Compliance	460	X	X	
Bookstore	2	5	3	3	5	3	3.50	Medium	FY2017	Compliance	460	X		X
Accounts Payable	2	4	3	4	5	3	3.45	Medium	FY2019	Compliance	460	X	X	
Instruction	2	4	4	4	3	4	3.45	Medium	-	Compliance	460	X		
Admissions	2	4	3	4	4	4	3.45	Medium	-	Compliance	460	X		X
Strategic Financial Mgt	2	4	3	4	5	3	3.45	Medium	FY2016	Compliance	460			
Health Services	2	4	4	3	4	4	3.45	Medium	FY2017	Compliance	460			
Procurement Practices	4	4	4	3	3	2	3.40	Medium	-	Internal Audit	910			
Compliance	2	3	4	5	5	2	3.40	Medium	FY2019	Compliance	460	X		X
IT Daily Operations (incl. cybersecurity)	3	4	3	3	3	4	3.35	Medium	FY2019	Compliance	460			
Revenue	3	4	3	3	3	4	3.35	Medium	FY2018	Compliance	460			
Hospital Equipment & Supplies	2	5	4	3	4	2	3.35	Medium	-	Compliance	460			X
Family and Medical Leave Act	3	3	4	3	3	4	3.30	Medium	-	Internal Audit	300			X
Dining	2	4	2	3	4	5	3.30	Medium	-			X		
IT Strat Planning & Governance	2	3	4	4	3	4	3.25	Medium	FY2017	Compliance	460	X		
IT Customer Service	3	4	3	3	3	3	3.20	Medium	-					
IT Development & Research	2	4	3	4	3	3	3.15	Medium	-			X		X
Athletics (NCAA)	2	4	2	3	4	4	3.15	Medium	FY2016	Compliance	460	X		X
State Authorization and Professional Licensure	2	4	3	3	4	3	3.15	Medium	-	Compliance	460			
Medical Education	2	4	3	3	4	3	3.15	Medium	-					
Jeanne Clery Act	2	4	3	4	3	3	3.15	Medium	-	Compliance	450			X
Governance	2	4	3	4	3	3	3.15	Medium	-					X
Sexual Misconduct	2	4	4	3	4	2	3.15	Medium	-	Internal Audit	760			X
Building Maintenance	2	4	4	3	4	2	3.15	Medium	-					X
Student Services Administration	3	3	3	3	3	4	3.15	Medium	FY2019					
Enrollment Management	3	3	3	3	3	4	3.15	Medium	FY2019					
Expenses	2	4	3	3	3	4	3.15	Medium	-					
International Affairs	2	4	3	3	3	4	3.15	Medium	-					
Facilities & Equipment--Research	2	3	3	3	4	4	3.10	Medium	-			X		
Research Financial	2	3	3	3	4	4	3.10	Medium	-			X		
Counseling Services	2	3	4	3	3	4	3.10	Medium	-					
External Services	2	3	4	3	3	4	3.10	Medium	-					
Intercollegiate Athletics Compliance	2	5	3	3	4	1	3.05	Medium	-	Compliance	450			
Student Centers & Activities	2	5	3	2	4	1	3.05	Medium	-					
Clinical Trials Compliance	2	4	3	2	3	4	3.00	Medium	-	Compliance	450	X	X	X
Patient Care	2	4	3	2	3	4	3.00	Medium	-			X	X	X
Academic Support	2	4	3	2	3	4	3.00	Medium	-			X		X
Internal Audit	2	4	3	2	3	4	3.00	Medium	-			X		X
Academic Personnel Administration	3	3	4	2	3	3	3.00	Medium	FY2016		X			
Security--Research	3	3	4	2	3	3	3.00	Medium	FY2016		X			
Endowment & Development	2	4	3	4	2	3	3.00	Medium	-					X
Accounts Receivable	2	4	3	4	2	3	3.00	Medium	-					X
Hospital Building & Facilities	2	4	3	3	3	3	3.00	Medium	FY2016					
Data Privacy (HIPAA and FERPA)	2	4	3	3	3	3	3.00	Medium	FY2016	Compliance	450			
Custodial Services	4	3	2	2	4	2	2.90	Medium	-			X		
Export Controls	2	5	3	3	2	2	2.90	Medium	-					
Stakeholder Relations	3	4	4	2	2	2	2.90	Medium	FY2018				X	
NCAA Football Attendance	2	3	3	3	2	4	2.80	Medium	FY2019	Compliance	450			
Major Repair & Renovation	3	2	3	2	3	4	2.80	Medium	-			X		
Intellectual Property/Technology Transfer	3	2	3	3	3	3	2.80	Medium	-					
Pre-award & Award Acceptance	3	4	4	2	2	1	2.75	Medium	-					
Financial Reporting	3	3	3	2	1	4	2.70	Medium	-					
IT Administration	2	4	3	3	2	2	2.70	Medium	-					
Motor Pool	2	3	3	2	3	3	2.65	Medium	-					
Annual Security and Fire Safety Report	1	4	2	3	4	2	2.65	Medium	-	Compliance	450	X		
NCAA Agreed-Upon Procedures	2	2	3	3	2	4	2.60	Medium	FY2019	Internal Audit	110			
Student Judicial Affairs	2	4	3	2	2	2	2.55	Medium	-					
Landscape & Grounds	2	4	2	1	1	5	2.55	Medium	-					
Research Quality	2	3	2	4	1	3	2.50	Medium	-					
Academic IT	2	3	3	3	3	1	2.50	Medium	FY2019					
Payroll	2	2	2	2	3	4	2.45	Medium	FY2017	Compliance	450			
Course & Curriculum Development	2	2	2	2	3	4	2.45	Medium	-			X		

UNIVERSITY OF TOLEDO 2020 Risk Assessment - High to Low Risk	Risk Factors						Combined Risk Rating	Risk Rating	Last Year Audited	Internal Audit and Compliance Planned Coverage	Planned Hours	External Audit	Other 3rd Party	University of Toledo Control Monitoring
	20%	20%	15%	15%	15%	100%								
Auditable Area	A. Control Design and Effectiveness	B. Impact to Students, Patients, External Stakeholders, Public Reputation	C. Changes in Organization, Programs, Operations	D. Complexity of Activities, Operations, or Systems	E. Dollar Materiality/Operational Impact	F. Impact of Fraud, Waste, or Data Loss								
Research Administration	2	2	2	2	3	4	2.45	Medium	-					
Clinical Revenue	2	2	3	2	2	4	2.45	Medium	FY2017					
Closing Process	2	2	3	3	2	3	2.45	Medium	-			X		X
Animal Research	1	2	3	3	2	4	2.40	Medium	-					X
Financial Fraud--Research	1	4	2	2	4	1	2.35	Medium	FY2016					
Trademark Licensing	1	4	2	2	2	3	2.35	Medium	FY2016					X
Academic Records Mgt	2	3	3	2	2	2	2.35	Medium	-					
Academic Reporting	1	3	2	2	2	3	2.15	Low	-					
Incentive Compensation	1	3	2	2	2	3	2.15	Low	FY2019	Internal Audit	120			
Form I-9 Employee Onboarding Process	1	3	1	2	2	3	2.00	Low	FY2019	Internal Audit	121			X
UTMC Compliance	1	3	2	1	1	4	2.00	Low	FY2019	Compliance	453			
Medical Faculty & Staff	1	3	3	2	2	1	2.00	Low	FY2017					
Patient Information	2	1	2	2	2	3	1.95	Low	-					
Utilities	2	1	2	1	1	3	1.65	Low	-					
Conflict of Interest	2	2	2	1	1	1	1.55	Low	-					
Registration	2	2	1	1	1	1	1.40	Low	FY2019					

Appendix B

Risk Rating – By Department

UNIVERSITY OF TOLEDO 2020 Risk Assessment - By Division		Risk Factors						Combined Risk Rating	Risk Rating	Last Year Audited	Internal Audit and Compliance Planned Coverage	Planned Hours	External Audit	Other 3rd Party	University of Toledo Control Monitoring
Auditable Area		20%	20%	15%	15%	15%	15%								
		A. Control Design and Effectiveness	B. Impact to Students, Patients, External Stakeholders, Public Reputation	C. Changes in Organization, Programs, Operations	D. Complexity of Activities, Operations, or Systems	E. Dollar Materiality/Operational Impact	F. Impact of Fraud, Waste, or Data Loss								
Academic Affairs															
A	Instruction	2	4	4	4	3	4	3.45	Medium	-	Compliance	460	X		
B	State Authorization and Professional Licensure	2	4	3	3	4	3	3.15	Medium	-	Compliance	460			
C	Academic Support	2	4	3	2	3	4	3.00	Medium	-			X	X	
D	Academic Personnel Administration	3	3	4	2	3	3	3.00	Medium	FY2016			X		
E	Academic IT	2	3	3	3	3	1	2.50	Medium	FY2019					
F	Course & Curriculum Development	2	2	2	2	3	4	2.45	Medium	-			X		
G	Academic Records Mgt	2	3	3	2	2	2	2.35	Medium	-					
H	Academic Reporting	1	3	2	2	2	3	2.15	Low	-					
Chief of Staff															
A	Governance	2	4	3	4	3	3	3.15	Medium	-					X
College Of Medicine and Life Sciences															
A	Research Grants (selected grants)	3	3	3	4	5	5	3.75	High	-	Internal Audit	300			
B	Medical Education	2	4	3	3	4	3	3.15	Medium	-					
C	Clinical Trials Compliance	2	4	3	2	3	4	3.00	Medium	-	Compliance	450	X	X	X
D	Patient Care	2	4	3	2	3	4	3.00	Medium	-			X	X	X
E	Medical Faculty & Staff	1	3	2	2	2	1	2.00	Low	FY2017					
Enrollment Management															
A	Financial Aid	2	4	3	4	5	4	3.60	Medium	FY2017	Compliance	460		X	
B	Admissions	2	4	3	4	4	4	3.45	Medium	-	Compliance	460	X		X
C	Enrollment Management	3	3	3	3	3	4	3.15	Medium	FY2019					
D	Registration	2	2	1	1	1	1	1.40	Low	FY2019					
Finance and Administration															
A	Cash Handling and University Cash Footprint	3	5	4	5	5	5	4.45	High	FY2017	Internal Audit	910	X		X
B	Grants Accounting	2	5	4	4	5	5	4.10	High	FY2018	Compliance	460			X
C	Maintenance of Infrastructure	3	4	4	4	5	4	3.95	High	FY2017	Internal Audit	450	X		
D	Financial Mgt Operations	3	4	4	3	4	5	3.80	High	FY2016	Compliance	460			
E	Accounting	2	4	3	4	5	5	3.75	High	FY2016	Compliance	460	X		
F	Auxiliary Enterprises Administration	2	4	3	4	5	5	3.75	High	-	Compliance	460	X		
G	Treasury Management	4	4	4	3	2	5	3.70	Medium	-	Internal Audit	760	X		
H	Capital Asset Depreciation	3	4	2	5	3	4	3.50	Medium	-	Compliance	460			X
I	Physical Plant Administration (incl. construction)	2	5	4	4	5	1	3.50	Medium	-	Compliance	460	X	X	
J	Bookstore	2	5	3	3	5	3	3.50	Medium	FY2017	Compliance	460	X		X
K	Accounts Payable	2	4	3	4	5	3	3.45	Medium	FY2019	Compliance	460	X	X	
L	Strategic Financial Mgt	2	4	3	4	5	3	3.45	Medium	FY2016	Compliance	460			
M	Procurement Practices	4	4	4	3	3	2	3.40	Medium	-	Internal Audit	910			
N	Compliance	2	3	4	5	5	2	3.40	Medium	FY2019	Compliance	460	X		X
O	Revenue	3	4	3	3	3	4	3.35	Medium	FY2018	Compliance	460			
P	Hospital Equipment & Supplies	2	5	4	3	4	2	3.35	Medium	-	Compliance	460			X
Q	Family and Medical Leave Act	3	3	4	3	3	4	3.30	Medium	-	Internal Audit	300			X
R	Dining	2	4	2	3	4	5	3.30	Medium	-			X		
S	Jeanne Clery Act	2	4	3	4	3	3	3.15	Medium	-	Compliance	450			X
T	Building Maintenance	2	4	4	3	4	2	3.15	Medium	-					X
U	Expenses	2	4	3	3	3	4	3.15	Medium	-					
V	Internal Audit	2	4	3	2	3	4	3.00	Medium	-			X		X
W	Accounts Receivable	2	4	3	4	2	3	3.00	Medium	-					X
X	Custodial Services	4	3	2	2	4	2	2.90	Medium	-			X		
Y	Major Repair & Renovation	3	2	3	2	3	4	2.80	Medium	-			X		
Z	Financial Reporting	3	3	3	2	1	4	2.70	Medium	-					
AA	Motor Pool	2	3	3	2	3	3	2.65	Medium	-					
AB	Annual Security and Fire Safety Report	1	4	2	3	4	2	2.65	Medium	-	Compliance	450	X		
AC	Landscape & Grounds	2	4	2	1	1	5	2.55	Medium	-					
AD	Payroll	2	2	2	2	3	4	2.45	Medium	FY2017	Compliance	450			
AE	Closing Process	2	2	3	3	2	3	2.45	Medium	-			X		X
AF	Incentive Compensation	1	3	2	2	2	3	2.15	Low	FY2019	Internal Audit	120			
AG	Form I-9 Employee Onboarding Process	1	3	1	2	2	3	2.00	Low	FY2019	Internal Audit	121			X
AH	Utilities	2	1	2	1	1	3	1.65	Low	-					
Information Technology															
A	IT Daily Operations (incl. cybersecurity)	3	4	3	3	3	4	3.35	Medium	FY2019	Compliance	460			
B	IT Strat Planning & Governance	2	3	4	4	3	4	3.25	Medium	FY2017	Compliance	460	X		
C	IT Customer Service	3	4	3	3	3	3	3.20	Medium	-			X		
D	IT Development & Research	2	4	3	4	3	3	3.15	Medium	-					X
E	Data Privacy (HIPAA and FERPA)	2	4	3	3	3	3	3.00	Medium	FY2016	Compliance	450			
F	IT Administration	2	4	3	3	2	2	2.70	Medium	-					
Intercollegiate Athletics															
A	Athletics (NCAA)	2	4	2	3	4	4	3.15	Medium	FY2016	Compliance	460	X		X
B	Intercollegiate Athletics Compliance	2	5	3	3	4	1	3.05	Medium	-	Compliance	450			
C	NCAA Football Attendance	2	3	3	3	2	4	2.80	Medium	FY2019	Compliance	450			
D	NCAA Agreed-Upon Procedures	2	2	3	3	2	4	2.60	Medium	FY2019	Internal Audit	110			
Legal Affairs															
A	Minors On Campus	2	5	4	4	5	4	3.95	High	-	Internal Audit	450	X		X
Marketing and Communications															
A	External Services	2	3	4	3	3	4	3.10	Medium	-					
B	Endowment & Development	2	4	3	4	2	3	3.00	Medium	-					X
C	Stakeholder Relations	3	4	4	2	2	2	2.90	Medium	FY2018					

UNIVERSITY OF TOLEDO 2020 Risk Assessment - By Division		Risk Factors						Combined Risk Rating	Risk Rating	Last Year Audited	Internal Audit Planned Coverage	Planned Hours	External Audit	Other 3rd Party	University of Toledo Control Monitoring
Auditable Area		20%	20%	15%	15%	15%	15%								
		A. Control Design and Effectiveness	B. Impact to Students, Patients, External Stakeholders, Public Reputation	C. Changes in Organization, Programs, Operations	D. Complexity of Activities, Operations, or Systems	E. Dollar Materiality/Operational Impact	F. Impact of Fraud, Waste, or Data Loss								
Research															
A	Research Compliance	2	5	3	3	5	4	3.65	Medium	FY2018	I/A	300			
B	Facilities & Equipment--Research	2	3	3	3	4	4	3.10	Medium	-			X		
C	Research Financial	2	3	3	3	4	4	3.10	Medium	-			X		
D	Security--Research	3	3	4	2	3	3	3.00	Medium	FY2016			X		
E	Export Controls	2	5	3	3	2	2	2.90	Medium	-				X	
F	Intellectual Property/Technology Transfer	3	2	3	3	3	3	2.80	Medium	-					
G	Pre-award & Award Acceptance	3	4	4	2	2	1	2.75	Medium	-					
H	Research Quality	2	3	2	4	1	3	2.50	Medium	-					
I	Research Administration	2	2	2	2	3	4	2.45	Medium	-					
J	Animal Research	1	2	3	3	2	4	2.40	Medium	-					X
K	Financial Fraud--Research	1	4	2	2	4	1	2.35	Medium	FY2016					
L	Trademark Licensing	1	4	2	2	2	3	2.35	Medium	FY2016					X
M	Conflict of Interest	2	2	2	1	1	1	1.55	Low	-					
Student Affairs															
A	Housing	2	5	3	3	5	5	3.80	High	FY2019	Compliance	460			X
B	Sexual Misconduct	2	4	4	3	4	2	3.15	Medium	-	I/A	760			X
C	Student Services Administration	3	3	3	3	3	4	3.15	Medium	FY2019					
D	International Affairs	2	4	3	3	3	4	3.15	Medium	-					
E	Counseling Services	2	3	4	3	3	4	3.10	Medium	-					
F	Student Centers & Activities	2	5	3	3	4	1	3.05	Medium	-					
G	Student Judicial Affairs	2	4	3	2	2	2	2.55	Medium	-					
University of Toledo Medical Center															
A	Hospital General Administration	2	4	4	5	5	4	3.90	High	-	Compliance	460	X		X
B	Patient Care	3	3	3	4	5	5	3.75	High	FY2019	Compliance	460	X		
C	Charge Capture & Collection	3	5	4	3	5	2	3.70	Medium	FY2016	Compliance	460	X	X	
D	Health Services	2	4	4	3	4	4	3.45	Medium	FY2017	Compliance	460			
E	Hospital Building & Facilities	2	4	3	3	3	3	3.00	Medium	FY2016					
F	Clinical Revenue	2	2	3	2	2	4	2.45	Medium	FY2017					
G	UTMC Compliance	1	3	2	1	1	4	2.00	Low	FY2019	Compliance	453			
H	Patient Information	2	1	2	2	2	3	1.95	Low	-					

