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
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
### 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*
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?