The University of Toledo
Finance and Audit Committee Meeting

“Internal Audit and Compliance Update”

August 12, 2013
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

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• “Service Lines”
  ✓ Financial, Operational, and Information Technology Audits
  ✓ Control Self-Assessments
  ✓ Commercial Contract Reviews
  ✓ Business Process Improvement Projects (process engineering)
  ✓ Other Advisory Services

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• Organizational coverage includes …
  ✓ The University of Toledo (academic enterprise)
  ✓ University of Toledo Medical Center (clinical enterprise)
  ✓ University of Toledo Physicians
  ✓ University of Toledo Innovation Enterprises

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• Scope includes …
  ✓ Control Environment (“tone at the top”)
  ✓ Risk Assessment
  ✓ Control Activities (policies and procedures)
  ✓ Information and Communication
  ✓ Monitoring
Fast Facts

• **Organizational Scope:**
  ✓ Internal Auditing: Academic Enterprise
  ✓ Internal Auditing: Clinical Enterprise (UTMC)
  ✓ Internal Auditing: University of Toledo Innovation Enterprises
  ✓ Institutional Compliance: UTMC, Athletics, Americans with Disabilities Act
  ✓ Other aspects of institutional compliance (HR, research, etc.) accountable to the Chief Compliance Officer (David Cutri)
  ✓ Compliance resources are also provided to the physician’s practice plan (University of Toledo Physicians)

• 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
FY2014 Audit Planning/Risk Assessment

- FY2014 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
## FY2014 Proposed Internal Audit Plan

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<td><strong>Outside Income (Athletics)</strong></td>
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* 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?