Internal Audit Department Aspirational Goals
Operating Model Aspiration

BALANCED OBJECTIVES

“Governance and Compliance Reviews”

“Value-Added Management Advice”

UT Audit Approach
Internal Audit Department Aspirational Goals
Operating Model Aspiration

- 1960’s
  - Financial Audits
    - Financial Audits
- Operational Audits
  - Operational Audits
- Information/Tech Audits
  - Information/Tech Audits
  - Operational Audits
  - Financial Audits
- Business Process Improvement
  + Business Process Improvement
  + Information/Tech Audits
  + Operational Audits
  + Financial Audits
- Strategic Business Advisor
  + Business Process Improvement
  + Information/Tech Audits
  + Operational Audits
  + Financial Audits

UT Internal Audit’s Relative

UT Internal Audit’s Relative

Higher Audit Staff Skills Required
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Internal Audit Department Aspirational Goals

• Build an internal audit staff to be a knowledge resource serving as assurance and business advisor

• Adjust to a stream of internal and external forces affecting strategies and operations

• Build audit plans on a risk-based schedule

• Engage resources when necessary to provide subject matter expertise in technical IA areas

• Confront risks such as asset misappropriation, corruption, fraudulent financial reporting

• Mitigate information technology risks that drive and redefine the operations of the university

• Support University governance programs that promote ethics and transparency

• Embed technology in all facets of auditing to work more quickly and more accurately

• Systematically accumulate knowledge about operations, risk and controls, and best practices

• Implement a systematic improvement methodology

• Communicate effectively and with maximum impact
### Key Objective

- Value-adding internal audit function
- Highly educated and experienced internal audit staff with diverse business backgrounds and professional certifications
- Internal audit function that meets stakeholder needs

### Outcome Measures

- Savings due to university-wide cost, quality, and time improvements as a percentage of internal audit's budget
- Percentage of audit projects requiring outside expertise
- Internal Audit's customer satisfaction rating
- Percentage of IA projects that align with those sanctioned in the audit charter
- Percentage of staffing objectives met, as defined in the audit charter
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Internal Audit Tracking Measures (Continued)

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<thead>
<tr>
<th>Key Objective</th>
<th>Outcome Measures</th>
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<tr>
<td>Complete and timely university-wide risk assessment</td>
<td>• Revenue loss attributed to risk factors</td>
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<td></td>
<td>• Percentage of business units or departments that complete annual risk self assessment</td>
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<tr>
<td>Efficient, cost-effective internal audit function</td>
<td>• Average time to complete internal audits</td>
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<td>• Total number of internal audits annually</td>
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<td>• Number of internal audits completed per internal auditor, annually</td>
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<td>• Total Internal Audit costs</td>
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<td>• Total Internal Audit costs as a percentage of annual revenue</td>
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How UT Management Can Maximize the Impact of the Internal Audit Function

• Advise us of any external audits, examinations, or consulting projects affecting your functional area prior to them taking place, so that we can adjust our audit planning accordingly (per the approved UT Internal Audit Charter)

• Advise us of any major changes to your operation, including organizational changes, new system implementations, major capital projects, and changes to strategic direction

• Engage Internal Audit beyond their annual risk assessment to discuss changes that could affect your risk profile

• Respond to our data requests fully and completely, in as timely and professional a manner as possible

• Be transparent regarding internal control deficiencies you are aware of

• Be as realistic as possible regarding the implementation of corrective actions from the audit

• Communicate with us after the audit regarding the status of implementing corrective actions