The University of Toledo
Finance and Audit Committee Meeting

“Internal Audit Status Update”

March 17, 2014
FY2014 Audit Plan Progress

28 Projects on Approved Internal Audit and Compliance Plan

Projects Completed

- Clery Act
- Faculty Summer Compensation
- Faculty Workload
- Student Financial Aid
- University of Toledo Innovation Enterprises
- NCAA Football Attendance (Athletics)
- Outside Income (Athletics)
- Recruiting Activities (Athletics)
- Revenues and Expenses (Athletics)
- MyUT Mobile Application (ADA)

Projects Completed (Continued)

- Catheterization Lab
- Charge Capture
- Clinical Joint Venture
- Clinical Referrals from Athletics
- Community Medicaid Program
- Health Care Assurance Program
- Pharmacy Billing

Projects in Progress

- Payroll Processing
- Research and Sponsored Programs
- Distance Learning (ADA)
- Facilities (ADA)
- Health Care Compliance (various)
“Required Communications”

Source: International Standards for the Professional Practice of Internal Auditing (The Institute of Internal Auditors)

- 1000 Purpose, Authority, and Responsibility
- 1010 Recognition of the Definition of Internal Auditing, the Code of Ethics, and the Standards in the Internal Audit Charter
- 1110 Organizational Independence
- 1111 Direct Interaction with the Board
- 1312 External Assessments
- 1320 Reporting on the Quality Assurance and Improvement Program
- 2020 Communication and Approval
- 2060 Reporting to Senior Management and the Board
FY2015 Internal Audit Planning/Risk Assessment

• FY2015 audit planning process to begin shortly

• UT Internal Audit plans using a risk-based assessment process

• Input solicited from Finance and Audit Committee; senior leadership; external auditors

• Input to include feedback on risk exposure, new initiatives, strategic plans

• Process and risk universes have been developed using varied sources

• A risk model will be used to “score” all potential processes to be audited

• David will discuss with the Finance and Audit Committee those high-risk processes that cannot be audited due to insufficient resources and discuss alternatives
Annual Audit Planning “Risk Factors”

**Risk Factors**

- Materiality
- Time Since Previous Audit
- Previous Audit Rating
- Transaction Volume
- Level of Process Automation
- Regulatory Oversight
- Systems/Process Changes
- Organizational Changes
- Susceptibility to Fraud, Waste, and Abuse

**Environment Scan**

- Higher Learning Commission/Accreditation
- State Share of Instruction
- Student Demographics
- Information Technology
- Facilities/Capital Planning
- Service Quality
- ICD-10
- Meaningful Use
- Payor Mix
- Affordable Care Act
- Issues impacting ...
  - effectiveness/efficiency of operations
  - reliability of financial reporting
  - compliance with laws and regulations
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?