The University of Toledo
Audit Committee Meeting

June 14, 2010
## FY2010 Internal Audit Schedule

### Internal Audit Activity

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<th>KEY RISK AREAS</th>
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**Legend**

- **A** - Not included in FY 2010 Audit Plan
- **D** - Deferred

- **In Progress**
- **Completed**
- **Planned**
- **Process Improvements**
Internal Audit Project Status

• FY2010 Audits Completed Prior to the Last Audit Committee Meeting
  ➢ Purchase Cards
  ➢ Life Flight Revenue Sharing Agreement
  ➢ Research Grants
  ➢ Payroll Processing (CSA)
  ➢ Clinical Risk Assessments
  ➢ Information Security
  ➢ NCAA Football Attendance
  ➢ ThyssenKrupp Contract Audit
  ➢ UT Pharmacy

• FY2010 Audits Completed Since the Last Audit Committee Meeting
  ➢ In-patient Charge Capture
  ➢ Patient Revenue Cycle

• FY2010 Audits in Progress
  ➢ Student Financial Aid (report drafted)
  ➢ IT General Controls (report drafted)
  ➢ Conflict of Interest (report drafted)

• Ongoing Audit Work
  ➢ Anonymous Reporting Line
  ➢ Continuous Control Monitoring

Will Complete All FY2010 Audit Projects On Schedule (June 30, 2010) and within Budget
FY2011 Internal Audit Risk Assessment

- FY2011 audit planning process began in May 2010
- UT Internal Audit employs a risk assessment planning program
- Input was solicited from senior leadership and external auditors
- Input to be solicited from Audit Committee in June 2010
- 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
FY2011 Audit Risk Assessment Results

Internal Audits – Academic Enterprise
- Student Financial Aid (eligibility)
- Research and Development Expenditures
- Commercial Contract Audit (Ottawa House)
- Departmental Procedural (“field”) Audits

Internal Audits – Clinical Enterprise
- Health Care Billing (charge master/capture)
- Clinical Procurement Processes
- Patient Satisfaction Processes
- Nursing Productivity Systems and Processes
- Physician Productivity/Clinic Profitability

Internal Audits – Support Functions
- P-card and Purchasing Process Redesign
- Accounts Payable
- Financial Reporting and Accounting Closing

Information Technology
- IT General Controls
- Banner 8 New Systems Development
- Commercial Contract Audit (digital campus)
- Budgetary Controls (IT system)

Athletics
- NCAA Football Attendance
- Recruiting Process and Procedures
- Team Travel
- Rocket Sports Properties

Compliance Projects – Academic Enterprise
- “Red Flags” Procedures
- Conflict of Interest
- Anonymous Reporting Line
- Continuous Controls Monitoring

Compliance Projectors – Clinical Enterprise
- Joint Commission Procedural Compliance
- Clinical Compliance Update
- Privacy Update
- Clinic Recordkeeping/Documentation
Quality Assurance Review

• An independent third party has been engaged to conduct a quality assurance review of the UT Internal Audit function.

• The review will be led by Charles Chaffin, Chief Audit Executive of the University of Texas System and Rod Mabry, President of The University of Texas at Tyler.

• Mr. Chaffin was engaged by the UT Audit Committee in the Spring of 2009 to conduct a strategic assessment of the internal audit function.

• Scope of review
  ➢ Alignment with the strategic assessment
  ➢ Interviews with key senior leaders
  ➢ Interviews with Internal Audit and external audit staff
  ➢ Reviews of a sampling of audit reports and work papers
  ➢ Judgment on compliance with Institute of Internal Auditors Standards