



THE UNIVERSITY OF
TOLEDO

University of Toledo

Finance and Audit Committee

FY2018 Risk Assessment and Internal Audit and Compliance Plan

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Annual Reviews

- Research Expenditures
- Campus Safety (crime reporting)
- Campus Safety (fire prevention)
- Cash Handling
- Payroll Processing
- IT General Controls
- NCAA Compliance
- Student Financial Aid
- UTMC Compliance
- Inpatient Data Privacy
- Outpatient Data Privacy



FY2018 Audit Risk Assessment

KEY RISK AREAS

BUSINESS RISK

PLANNED ACTIVITY

PREVIOUS ACTIVITY

ACADEMIC ENTERPRISE

<ul style="list-style-type: none"> • Are unallowable costs charged to grants? 	<ul style="list-style-type: none"> • Review the research compliance process. 	<p><u>Annual audit cycle</u></p> <ul style="list-style-type: none"> • Prior internal control issues • Clinical trials • Expenses charged to grants • Ethical conduct of research • Research Conflict Of Interest • Nepotism • Screening of grant participants
<ul style="list-style-type: none"> • Is accountability over recorded transactions not maintained? 	<ul style="list-style-type: none"> • Review the grants accounting process. 	<p><u>Two-Year audit cycle</u></p> <ul style="list-style-type: none"> • External auditor focus area • Affects A-133 compliance • High-dollar throughput • High financial reporting impact • Research expenditure compliance • Changes in grant regulations
<ul style="list-style-type: none"> • Are students not graduating/graduating timely? 	<ul style="list-style-type: none"> • Review the University's instructional processes. 	<p><u>Three-Year audit cycle</u></p> <ul style="list-style-type: none"> • Focus area of UT strategic plan • Impacts integrity of academic reporting • Higher Learning Commission issues • Classification of Instructional Programs • Faculty syllabi and rubrics • State Authorization of online degrees
<ul style="list-style-type: none"> • Is there a failure to define faculty criteria for teaching, research, and clinical practice activities? 	<ul style="list-style-type: none"> • Review the medical education process, and ensure that well-defined job descriptions are in place. 	<p><u>Four-Year audit cycle</u></p>



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BUSINESS SUPPORT

<ul style="list-style-type: none"> • Are errors in the accounting system not detected in a timely manner? 	<ul style="list-style-type: none"> • Review the University's accounting close process. 	<p><u>Three-Year audit cycle</u></p> <ul style="list-style-type: none"> • General ledger and sub-ledgers
<ul style="list-style-type: none"> • Does the potential exist for inappropriate reimbursements and/or payments? 	<ul style="list-style-type: none"> • Review the accounts payable process. 	<p><u>Two-Year audit cycle</u></p> <ul style="list-style-type: none"> • Risk of untimely payments • Risk of duplicate payments
<ul style="list-style-type: none"> • Is the University well positioned to accurately report crime statistics? 	<ul style="list-style-type: none"> • Prepare a report of UT preparedness under the Jeanne Clery Act. ✓ "annual campus security report" 	<p><u>Annual audit cycle</u></p> <ul style="list-style-type: none"> • Key provisions of relevant regulations • Test for compliance with procedures • Prepared by Clery Compliance Officer
<ul style="list-style-type: none"> • Is the University well positioned to accurately report fire safety statistics? 	<ul style="list-style-type: none"> • Prepare a report of UT preparedness under the Jeanne Clery Act. ✓ "annual fire safety report" 	<p><u>Annual audit cycle</u></p> <ul style="list-style-type: none"> • Key provisions of relevant regulations • Test for compliance with procedures • Prepared by Clery Compliance Officer
<ul style="list-style-type: none"> • Does the potential exist for misuse or diversion of funds? 	<ul style="list-style-type: none"> • Review the University's cash handling process. 	<p><u>Annual audit cycle</u></p> <ul style="list-style-type: none"> • Susceptibility to asset misappropriation • Reduction of cash collection points • Use of University credit cards
<ul style="list-style-type: none"> • Are cash and cash equivalents managed to maximize return and ensure integrity and liquidity of assets? 	<ul style="list-style-type: none"> • Review the financial management operations process. 	<p><u>Three-Year audit cycle</u></p> <ul style="list-style-type: none"> • Management of investments
<ul style="list-style-type: none"> • Are incorrect amounts disbursed to employees? 	<ul style="list-style-type: none"> • Review the payroll process. 	<p><u>Annual audit cycle</u></p> <ul style="list-style-type: none"> • Monitoring of employee overpayments • Reduction in pay cycles
<ul style="list-style-type: none"> • Is there a failure to monitor contractors and sub-contractors? 	<ul style="list-style-type: none"> • Review the physical plant administration process. 	<p><u>Two-Year audit cycle</u></p> <ul style="list-style-type: none"> • Commercial contract reviews • Deferred maintenance



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PREVIOUS ACTIVITY

INFORMATION TECHNOLOGY

<ul style="list-style-type: none"> • Is there a failure to deliver agreed upon information technology services? 	<ul style="list-style-type: none"> • Review the IT customer service process. 	<p><u>Four-Year audit cycle</u></p>
<ul style="list-style-type: none"> • Is there a lack of a process for ensuring data remains complete, accurate, and valid during its input, update and storage? 	<ul style="list-style-type: none"> • Review the process for managing IT's daily operations. 	<p><u>Annual audit cycle</u></p> <ul style="list-style-type: none"> • External auditor focus area • IT “general controls” • Data center • Backup and recovery • Information security • Help desk • Data and voice network
<ul style="list-style-type: none"> • Is there a lack of a process for installing and accrediting systems to verify and confirm that the solution is appropriate for the intended purpose? 	<ul style="list-style-type: none"> • Review the IT development and research process. 	<p><u>Two-Year audit cycle</u></p> <ul style="list-style-type: none"> • Software change control • Testing and integration • Operating system patches • Software inventory control • Web-based tools • Version control • Technology ADA accessibility
<ul style="list-style-type: none"> • Are business requirements and information technology opportunities not adequately considered? 	<ul style="list-style-type: none"> • Review the IT strategic planning and governance process. 	<p><u>Three-Year audit cycle</u></p> <ul style="list-style-type: none"> • IT risk assessment • Cybersecurity strategy • Payment Card Industry compliance • IT support to third parties • System penetration testing • IT governance councils



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ATHLETICS

<ul style="list-style-type: none"> Is there a failure to maintain entrance quality standards for student-athletes? 	<ul style="list-style-type: none"> Review the admissions process for student-athletes. 	<u>Two-Year audit cycle</u> <ul style="list-style-type: none"> Comply with NCAA/MAC requirements Consistent with UT student population
<ul style="list-style-type: none"> Is there a failure to train staff in emergency procedures? 	<ul style="list-style-type: none"> Review the recreation and athletics centers business processes. 	<u>Four-Year audit cycle</u>
<ul style="list-style-type: none"> Do low quality athletics auxiliary enterprises damage the institution's reputation? 	<ul style="list-style-type: none"> Review the auxiliary enterprises administration process for intercollegiate athletics. 	<u>Three-Year audit cycle</u> <ul style="list-style-type: none"> Supporting processes to Athletics Event management processes
<ul style="list-style-type: none"> Is there a failure to maintain NCAA athletics certification? 	<ul style="list-style-type: none"> Review the NCAA athletics compliance process. 	<u>Annual audit cycle</u> <ul style="list-style-type: none"> NCAA Compliance Mid-American Conference Compliance Student-Athlete eligibility
<ul style="list-style-type: none"> Is there a failure to meet enrollment goals for student-athletes? 	<ul style="list-style-type: none"> Review the enrollment management process for student-athletes. 	<u>Three-Year audit cycle</u> <ul style="list-style-type: none"> Comply with NCAA/MAC requirements Student-Athlete retention
<ul style="list-style-type: none"> Is there non-compliance with federal or state regulations pertaining to student-athletes? 	<ul style="list-style-type: none"> Review the financial aid process for student-athletes. 	<u>Annual audit cycle</u> <ul style="list-style-type: none"> External auditor area of focus NCAA area of focus
<ul style="list-style-type: none"> Is Intercollegiate Athletics in compliance with NCAA and UT guidance regarding travel and associated expenses? 	<ul style="list-style-type: none"> Review compliance with NCAA rules and UT policy regarding team travel, meals and expenses, etc. 	<u>Five-Year audit cycle</u>
<ul style="list-style-type: none"> Is there a failure to obtain proper licensing and accreditation for student-athlete health services facilities? 	<ul style="list-style-type: none"> Review the process for obtaining health services for student-athletes. 	<u>Two-Year audit cycle</u> <ul style="list-style-type: none"> Training and conditioning HIPAA implications



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CLINICAL ENTERPRISE

<ul style="list-style-type: none"> Is there a lack of security over hospital building and facilities? 	<ul style="list-style-type: none"> Review business processes pertaining to hospital buildings and facilities. 	<ul style="list-style-type: none"> <u>Three-Year audit cycle</u> Protection of patients and caregivers
<ul style="list-style-type: none"> Does clinical documentation support billing (e.g. illegible; non-existent; missing order)? 	<ul style="list-style-type: none"> Review the charge capture and collection process. 	<ul style="list-style-type: none"> <u>Two-Year audit cycle</u> Over-coding and under-coding risks
<ul style="list-style-type: none"> Can UTMC be in non-compliance with Joint Commission regulations? 	<ul style="list-style-type: none"> Execute the UTMC compliance and University privacy program. 	<ul style="list-style-type: none"> <u>Annual audit cycle</u> Compliance Program: Clinical Operation
<ul style="list-style-type: none"> Is there a potential for loss/theft of hospital equipment? 	<ul style="list-style-type: none"> Review the hospital equipment and supplies management process. 	<ul style="list-style-type: none"> <u>Three-Year audit cycle</u> High-Dollar impact
<ul style="list-style-type: none"> Does the potential exist for expenditures to be improperly paid? 	<ul style="list-style-type: none"> Review hospital administration business processes for outpatient activity. 	<ul style="list-style-type: none"> <u>Two-Year audit cycle</u> UTMC/UTP flow of funds
<ul style="list-style-type: none"> Is there the potential for failure to ensure that annual Conflict of Interest (COI) Forms are completed? 	<ul style="list-style-type: none"> Review business processes covering medical faculty and staff. 	<ul style="list-style-type: none"> <u>Five-Year audit cycle</u>
<ul style="list-style-type: none"> Are adverse events not reported timely? 	<ul style="list-style-type: none"> Review business processes over managing patient care. 	<ul style="list-style-type: none"> <u>Five-Year audit cycle</u>
<ul style="list-style-type: none"> Can information be improperly altered or deleted because of processing error? 	<ul style="list-style-type: none"> Review business processes over managing inpatient information. 	<ul style="list-style-type: none"> <u>Annual audit cycle</u> Privacy and security
<ul style="list-style-type: none"> Is there a lack of sanctions policy for violators of the rule (HIPAA)? 	<ul style="list-style-type: none"> Review business processes over managing outpatient information. 	<ul style="list-style-type: none"> <u>Annual audit cycle</u> Protection of patient data
<ul style="list-style-type: none"> Does staff have proper licenses or credentials? 	<ul style="list-style-type: none"> Review the human resources process for inpatient activity. 	<ul style="list-style-type: none"> <u>Four-Year audit cycle</u>
<ul style="list-style-type: none"> Is there the potential for failure to adequately maintain Employee Assistance Program (EAP)? 	<ul style="list-style-type: none"> Review the human resources process for outpatient activity. 	<ul style="list-style-type: none"> <u>Four-Year audit cycle</u>
<ul style="list-style-type: none"> Is there a lack of adequate strategic planning process for the hospital? 	<ul style="list-style-type: none"> Review the hospital administration business processes for inpatient activity. 	<ul style="list-style-type: none"> <u>Two-Year audit cycle</u> Tactical plan based on UT strategic plan