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UK Internal Audit (UKIA) and Accountability Office

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UK INTERNAL AUDIT ACTIVITY UPDATE FOR FISCAL YEAR 2020-21 QUARTER 3

Joe Reed, Chief Accountability Officer and Audit Executive

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APPROVED FY2020-21 WORK PRIORITIZATION PLAN

	Processes		Units		Information systems
1	Business continuity	1	Academic units	1	Access controls
2	Cash handling	2	Alumni associations	2	Disaster recovery
3	Compensation	3	Hospital services	3	In-house applications
4	Conflict of interest	4	Share services	4	Server configuration
5	Contract management	5	Student support services	5	Routine maintenance
6	Disbursements	6	Retail operations	6	Unit applications
7	Inventory management				
8	Scholarships				
9	Sponsored contracts				
10	Supply chain				
11	Student financial aid				
12	Tuition and fees				

	Follow-ups		Inquiries		Other activities
1	UKIA audit services	1	Comply line	1	Committee membership
		2	First-hand accounts	2	Partnerships
		3	UKIA website	3	Taskforce participation

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BUSINESS RISK FACTORS

Business Risk Factor	Definition/Measurement	Component	
Public exposure	Media coverage intensity and type of clientele	1. Media coverage	3. Current affairs
		2. Customer type	4. Program visibility
External factors	Federal and state regulations and industry standards	5. State regulations	7. Industry compliance
		6. Federal regulations	
Materiality	Financial and budgetary impact	8. Sources of revenue	10. Budget breakdown
		9. Transaction volume	11. Transaction complexity
Audit interval	Duration since last external and/or internal audit	12. Internal audits	14. Other audits
		13. External audits	
Control environment I	Workplace culture and practices	15. Operational	17. Key position turnover
		16. Event identification	
Control environment II	Information technology culture and practices	18. Information system (IS) applications	
		19. Data centers	
Management requests	Review request made by university management	20. Management requests	

COMPLETED REVIEWS

Project		Name	General Objective	Project Conclusion	
Audit Service	Work Prioritization	Audit Number and Title*	Engagement Purpose	Risk Areas Identified	Distribution Date
Comprehensive Reviews	Sponsored contracts, academic unit, routine maintenance	2021 MC01 Center of Excellence in Rural Health (CERH)	Annual review to assess: • Governance • Financial accountability • Operational efficiency and effectiveness	• Information security • Operations	2/23/2021
Information Technology Reviews	Unit applications, server configuration, access controls	2020 IT01 Cyber Incident Preparedness and Response	Evaluate UK HealthCare's cybersecurity posture, including: • Incident preparedness • Response plans.	• Cybersecurity governance • Incident preparedness	3/3/2021
Inquiries/ Investigations	Conflicts of interest, compensation, disbursements	2020 CAE09 Department of Neuroscience Grant	Evaluate alleged conflict of interest and inappropriate procurement card payments to vendor	• Compliance • Conflict of interest • Governance	3/30/21

*In the audit number, MC refers to UK HealthCare reviews, IT refers to information technology reviews and CAE is for chief audit executive special projects.

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ACTIVE INQUIRIES AND INVESTIGATIONS

Audit Service	Audit Number and Title*	Work Prioritization	Engagement Purpose
Inquiries/ Investigations	2020 INQ07	Contract management, disbursements	Regulatory compliance, compliance
	2021 INQ05	Hospital service, inventory management	
	2021 INQ10	Student support services, tuition and fees	
	2021 INQ02	Student support services, access controls	Information security
	2021 INQ06	Cash handling, hospital services	Asset misappropriation
	2021 INQ07	Cash handling, student support services	
	2021 INQ12	Inventory management, academic unit	
	2021 INQ04	Academic unit, conflict of interest	Compensation, conflict of interest
	2021 INQ08	Compensation, shared service	
	2021 INQ09	Compensation, conflict of interest	
	2021 INQ11	Compensation, conflict of interest	

*INQ in the audit number refers to an inquiry or investigation.

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ACTIVE COMPREHENSIVE REVIEWS

Project		Name	UKIA 20 Business Risk Components**		General Objective
Audit Service	Work Prioritization	Audit Number and Title*	Rating	Top Three Risk Components**	Engagement
Comprehensive reviews	Cash handling, shared services, follow-up	2019 MC05 UK HealthCare Patient Financial Services	Medium	9 12 16	Ensure receiving, depositing, posting, refunding and reconciliation of patient payments are appropriate
	Academic units	2020 CC01 J David Rosenberg College of Law	Medium	12 16 17	Evaluate operational efficiency, financial integrity, information security, regulatory adherence and strategic alignment
	Conflicts of interest (COI)	2020 CC02 Conflicts of Interest	High	6 16 20	Evaluate practices and policies associated with COI activities
	Contract management	2020 CC04 Leave Administration	Medium	5 15 20	Evaluate internal controls related to leave administration processes

*In the audit number, CC refers to a non-UK HealthCare review, while MC refers to a UK HealthCare related review.
**Refer to slide 3, UKIA business risk factors, for the UKIA 20 business risk components.

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ACTIVE COMPREHENSIVE REVIEWS

Project		Name	UKIA 20 business risk components**		General objective
Audit service	Work prioritization	Audit number and title*	Rating	Top three risk components**	Engagement purpose
Comprehensive Reviews	Contract management, Sponsored Contracts	2019 MC04A Ryan White Grant Review	High	6 12 20	Validate governance, protected health information and fiscal affairs for clinical trial
	Inventory management, hospital services	2019 MC04B Ryan White Grant Review (KADAP)	High	1 2 3	Review KADAP program cost centers, budget and expenditures workflow, regulatory compliance and information systems.
	Academic units	2021 CC02 College of Arts and Sciences	High	10 12 19	Evaluate financial performance, operational practices and process workflows
	Academic units	2020 CC05 College of Public Health	Medium	3 6 12	Evaluate operational efficiency, financial integrity, information security, regulatory adherence and strategic alignment
Repetitive Audits	Academic units, Routine maintenance	2021 RA02 College of Communication and Information	High	5 16 18	Evaluate the web application security posture, including policies and procedures and documentation of web application assets

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**Refer to slide 3, UKIA business risk factors, for the UKIA 20 business risk components.

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ACTIVE CONSULTATIONS, DATA ANALYTICS, FOLLOW-UPS AND INFORMATION TECHNOLOGY REVIEWS

Project		Name	UKIA 20 Business Risk Components**		General Objective
Audit Service	Work Prioritization	Audit Number and Title*	Rating	Top Three Risk Components**	Engagement Purpose
Consultations	Unit applications	2020 CN01 UK HealthCare 3M 360 Coding	High	7 15 18	Evaluate the medical coding process which utilizes the 3M 360 coding system application
Data Analytics	Conflicts of interest	2021 DA01 Employee Vendor Match	High	3 9 16	Identify employees being paid as vendors
Follow-up Reviews	Academic units, sponsored contracts	2020 FR04 College of Public Health Grants Review Follow-Up	Medium	6 8 12	Verify remediation activities
	Contract management	2021 FR01 Student Center Construction Final Reconciliation Follow-Up	High	4 9 16	Final reconciliation of construction project to ensure change order appropriateness

*CN in the audit number refers to consultations, DA refers to data analytics, FR is for follow-up review and IT is for information technology reviews.
**Refer to slide 3, *UKIA business risk factors*, for the audit number legend and UKIA 20 business risk components.

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QUESTIONS

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UK INTERNAL AUDIT MISSION STATEMENT

To support UK in its pursuit of excellence by providing expert analyses and advice to champion the achievement of management objectives.

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