Audit Universe

UK Internal Audit (UKIA)
April 30, 2019

Evolution of the Audit Universe

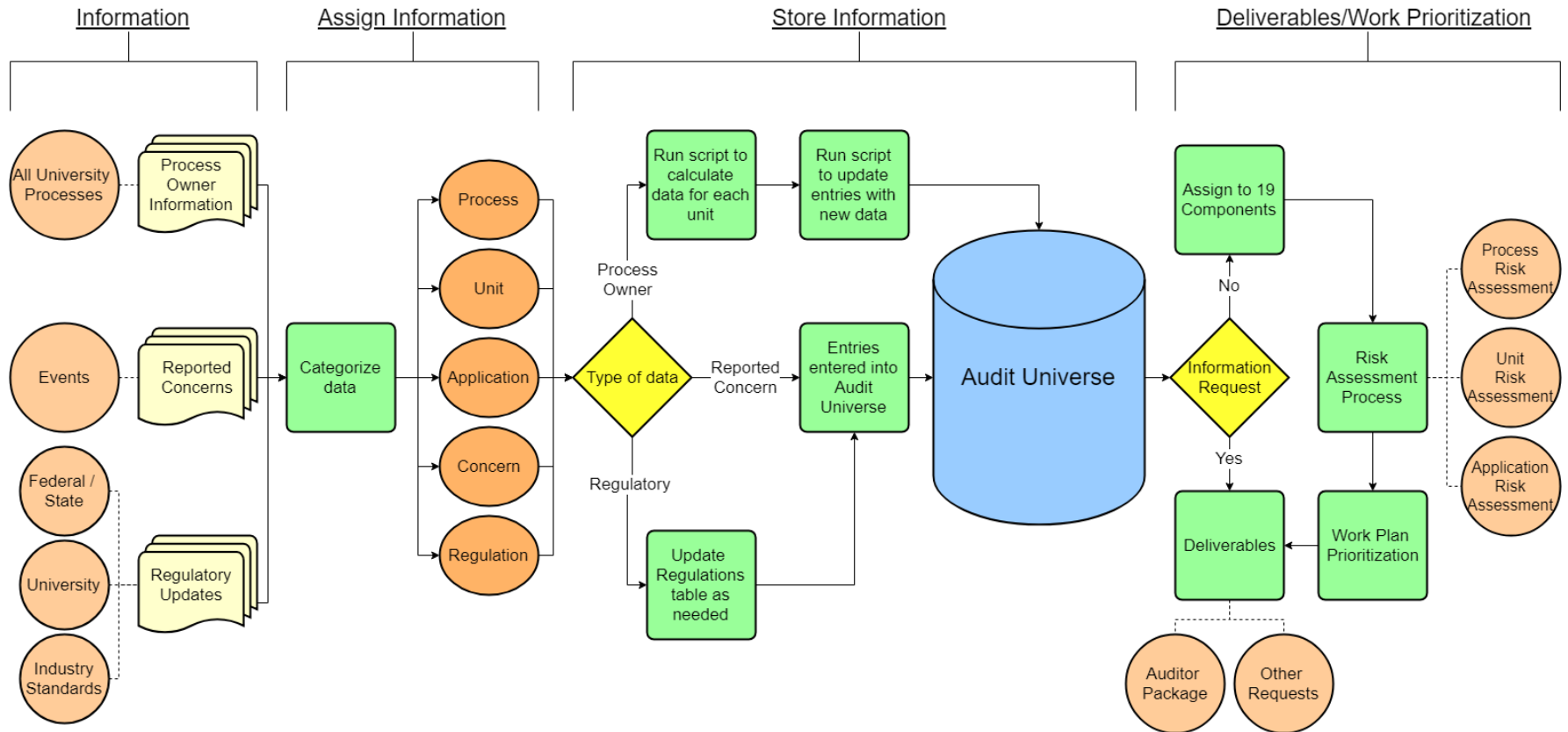|	2015	2017	2019
Database System	Microsoft Excel	Microsoft Access	Microsoft SQL
Data/Information Collection	Reactive Information	Reactive Information	Proactive Information
Storage Space	Limited – 2 GB	Limited – 2 GB	Unlimited
Database Structure	No Attachments or Queries	Limited Query Ability	Relational
Information Use	UKIA	UKIA and Client	Multidisciplinary
	Independent Data Points	Pseudo-Relational Data Points	Relational Data Points

Populating the Database

Information	Date	Source	Process	Unit	Application	Concern	Regulation	Work Plan Prioritization
Ad hoc[1]								
Recurring[2]								

Priority	Field
Primary	Process
Secondary	Unit
	Application
	Concern
	Regulation

1. *Ad hoc – Information obtained by UKIA as it becomes available from any source*
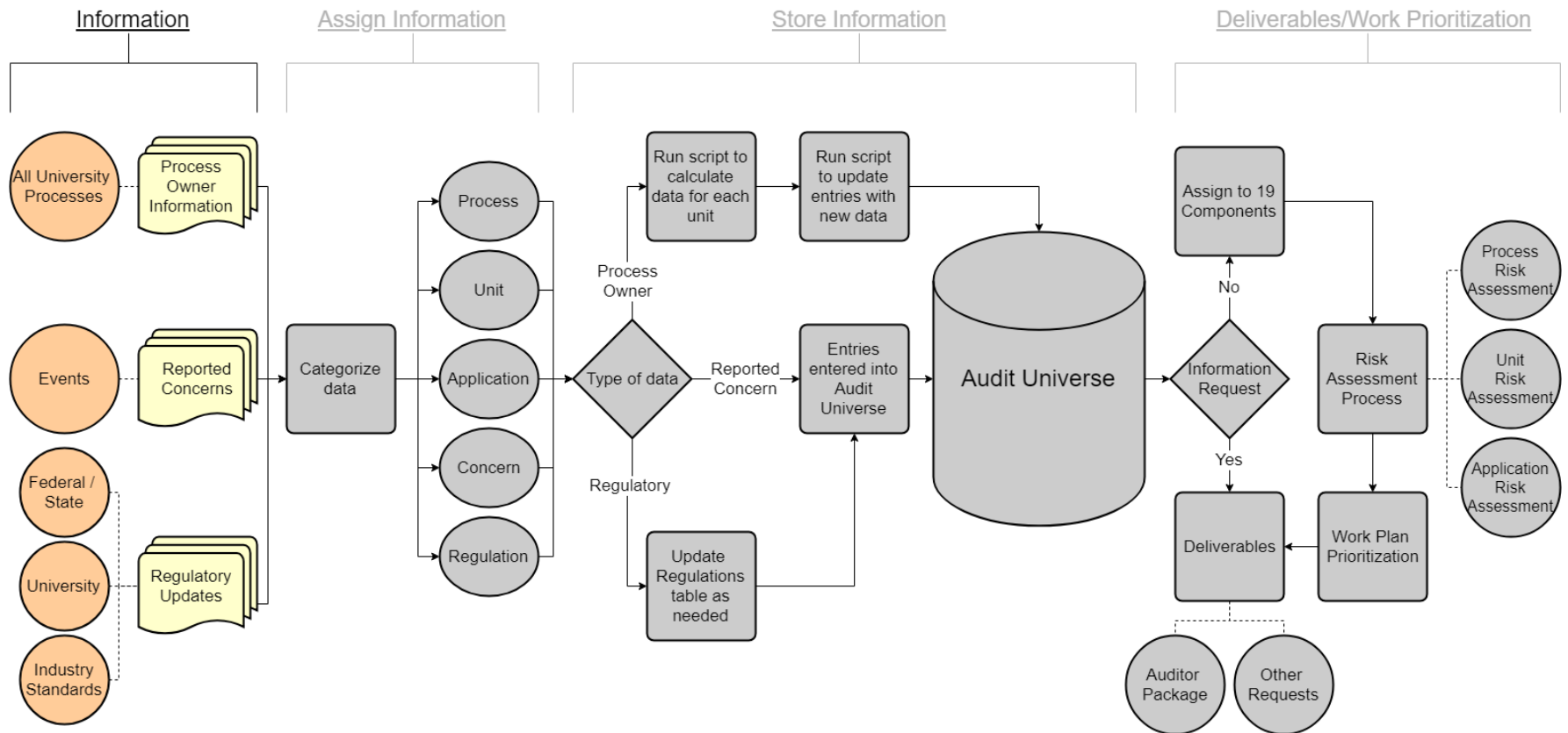2. *Recurring – Data obtained by UKIA on a regular basis from process owners*

Audit Universe Flowchart

Audit Universe Flowchart

Information | Assign Information | Store Information | Deliverables/Work Prioritization

All University Processes — Process Owner Information

Events — Reported Concerns

Federal / State

University — Regulatory Updates

Industry Standards

Categorize data

Process
Unit
Application
Concern
Regulation

Type of data

Process Owner

Run script to calculate data for each unit → Run script to update entries with new data

Reported Concern → Entries entered into Audit Universe

Regulatory → Update Regulations table as needed

Audit Universe

Information Request

Assign to 19 Components

No

Yes

Risk Assessment Process

Work Plan Prioritization

Deliverables

Auditor Package | Other Requests

Process Risk Assessment
Unit Risk Assessment
Application Risk Assessment

Information: Process Owner

Definition: Information obtained *from process owners* that is related to University processes
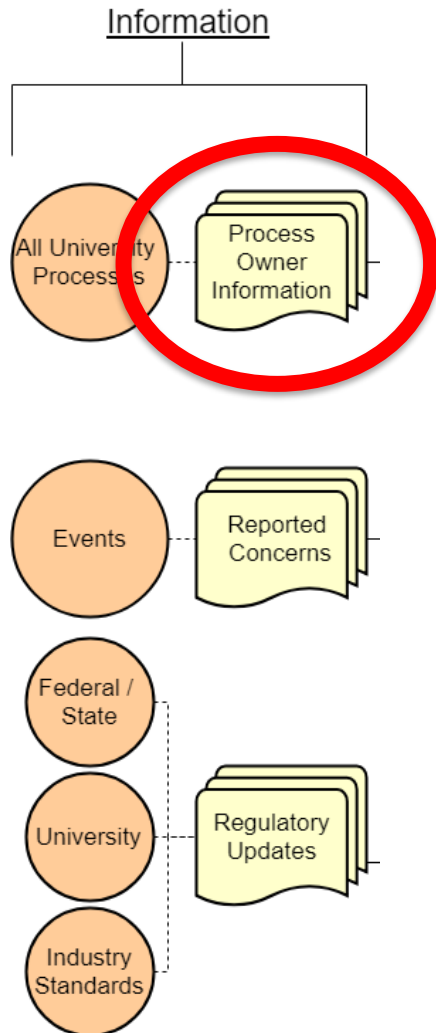
Source
↓

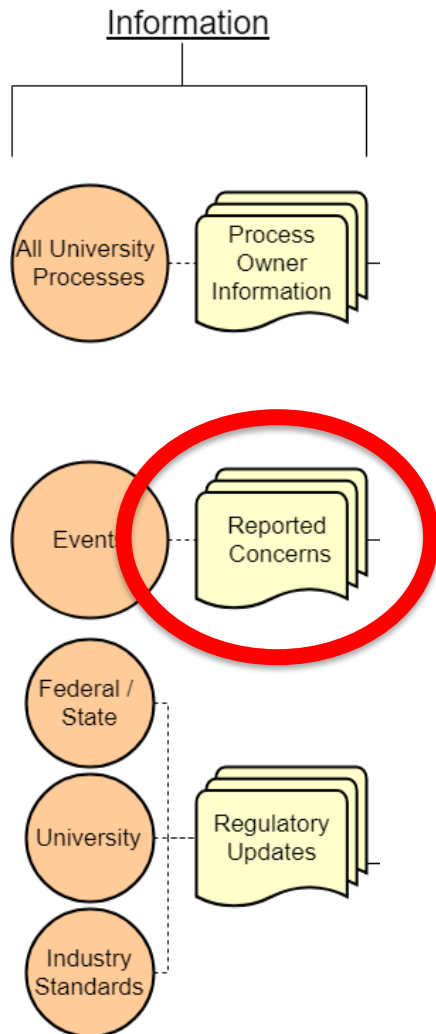| **Information**	*Process Owner*	**Process**	**Date**
Department using app to document ProCard transactions	University Financial Services	ProCard	11/20/18
Student housing application StarRez was updated	Auxiliary Services	Housing Assignments	12/19/18
Two outside attorneys assist the Leave Administration Office with workers compensation litigation	Leave Administration Office	Workers Compensation	3/14/19

Information: Reported Concerns

Information

- All University Processes → Process Owner Information
- Event → **Reported Concerns**
- Federal / State
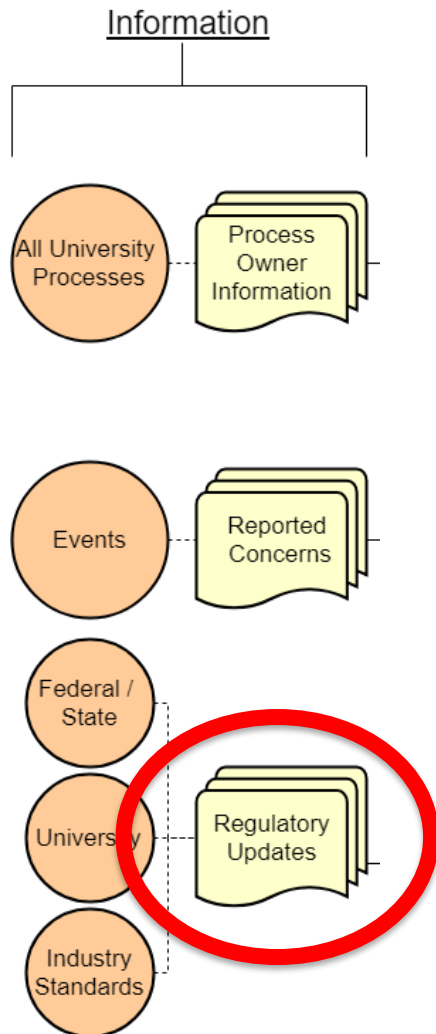- University → Regulatory Updates
- Industry Standards

Definition: Information that is *obtained from phone, email, in-person, University Comply Line, website*, and/or UKIA activities

Information	*Source*	Process	Date
Employee was allegedly reporting incorrect time	Comply Line	Compensation	6/30/17
Student allegedly forged transcript	UKIA Website	Admissions	8/7/18
Service contract/agreement nepotism	Meeting	Third-Party Contracts	2/7/19

Information: Regulations

Definition: Information *obtained from federal, state, industry, or University entities* regarding governing regulations
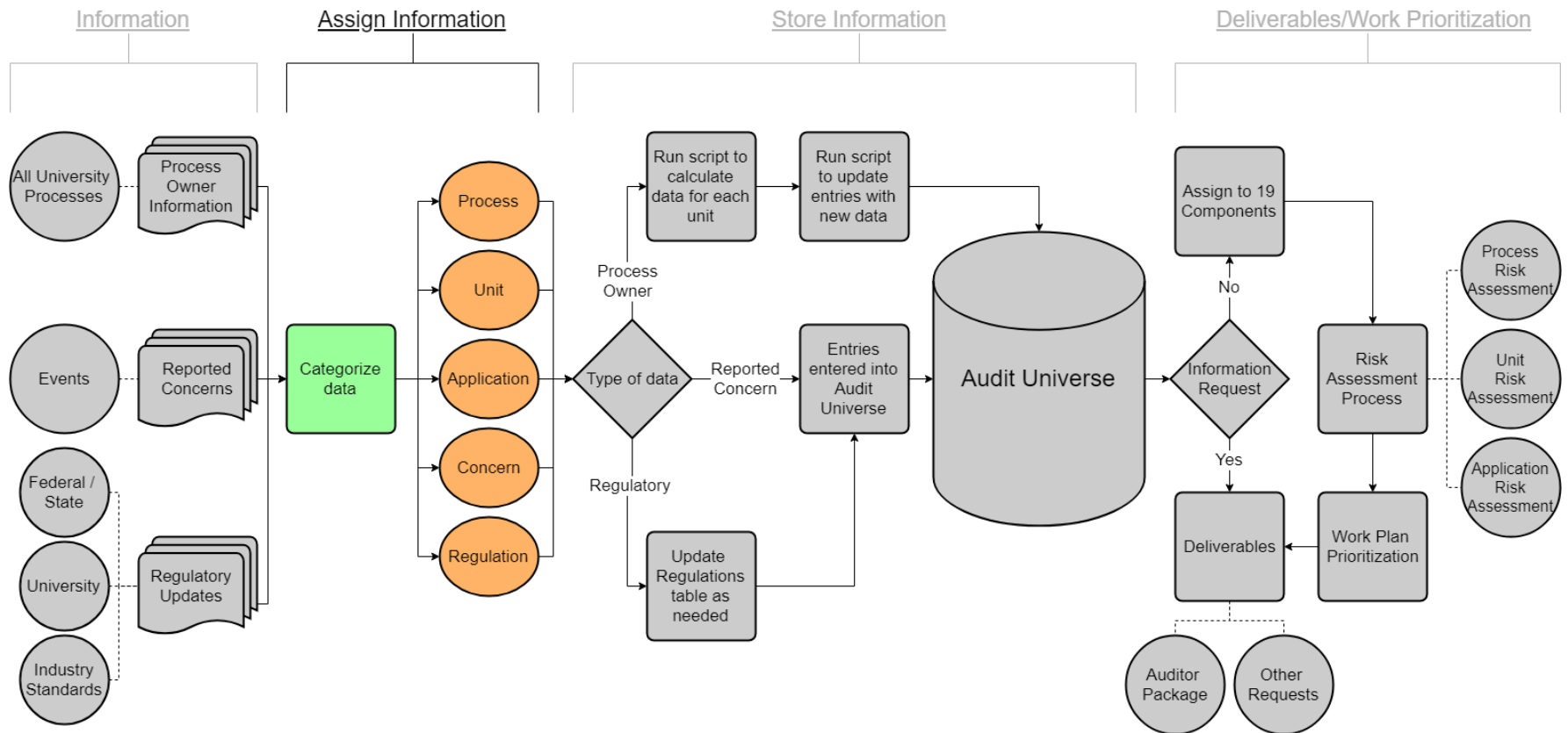
Source
↓

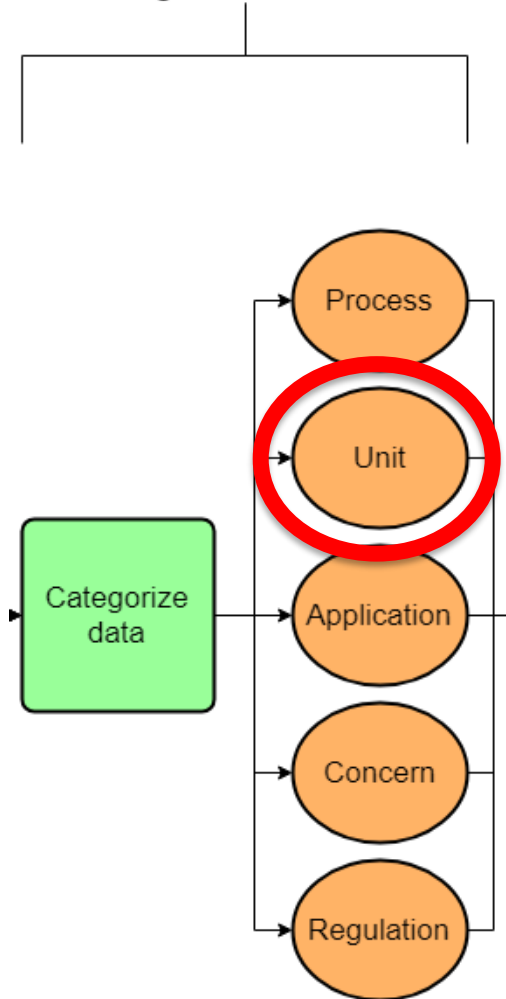| Information	*Regulation*	Process	Date
New data security regulation regarding European Union citizens	General Data Protection Regulation (GDPR)	Data Security	5/25/18
Updates to University social media policies and guidelines	Administrative Regulation 10:4	Social Media	7/20/18
Law reversing requirement for the University to pay sales tax on admissions and fundraising event sales	Kentucky House Bill 354	Taxation	3/26/19

Assign Information

Information | Assign Information | Store Information | Deliverables/Work Prioritization

- All University Processes
- Process Owner Information
- Events
- Reported Concerns
- Federal / State
- University
- Regulatory Updates
- Industry Standards

Categorize data → Process, Unit, Application, Concern, Regulation

Type of data:
- Process Owner → Run script to calculate data for each unit → Run script to update entries with new data → Audit Universe
- Reported Concern → Entries entered into Audit Universe → Audit Universe
- Regulatory → Update Regulations table as needed

Information Request:
- No → Assign to 19 Components → Risk Assessment Process → Process Risk Assessment, Unit Risk Assessment, Application Risk Assessment
- Yes → Deliverables → Auditor Package, Other Requests
- Work Plan Prioritization

Assign Information: Unit

Assign Information

Information	Unit	Enterprise Division	Process
Using app for ProCard documentation	Athletics	Administration	ProCard
Workers compensation litigation	Leave Administration	Finance & Administration	Workers Compensation
Employee allegedly reporting incorrect time	Hospital Unit	HealthCare	Compensation
Alleged forged transcript	Undergraduate Admissions	Campus Operations	Admissions
New vendor onboarding application	Purchasing	Finance & Administration	Vendor Setup

Assign Information: Application

Assign Information
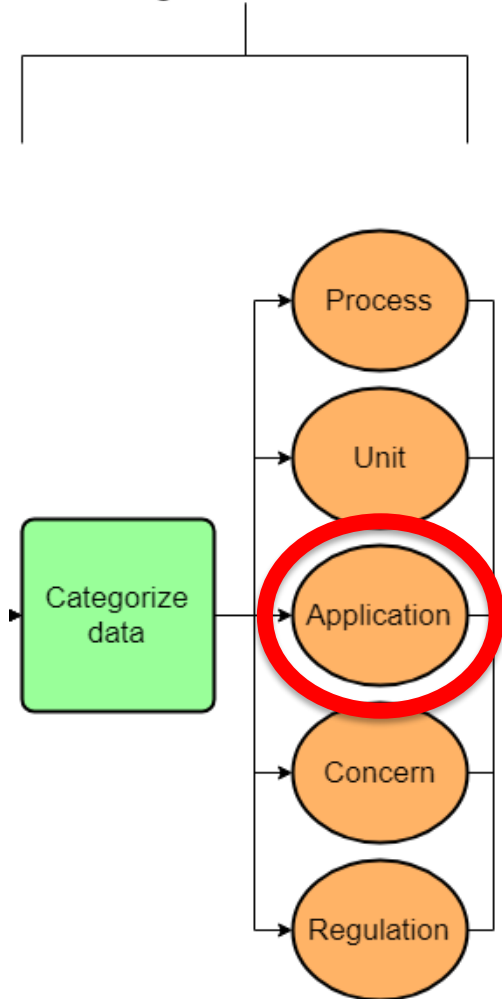
Information	Application	Process
Using app for ProCard documentation	Expensify	ProCard
Workers compensation litigation	Litigation Management System (LMS)	Workers Compensation
Employee allegedly reporting incorrect time	KRONOS	Compensation
Alleged forged transcript	Student Lifecycle Management (SLCM)	Admissions
New vendor onboarding application	PaymentWorks	Vendor Setup

Categorize data

- Process
- Unit
- Application
- Concern
- Regulation

Assign Information: Concern

Assign Information
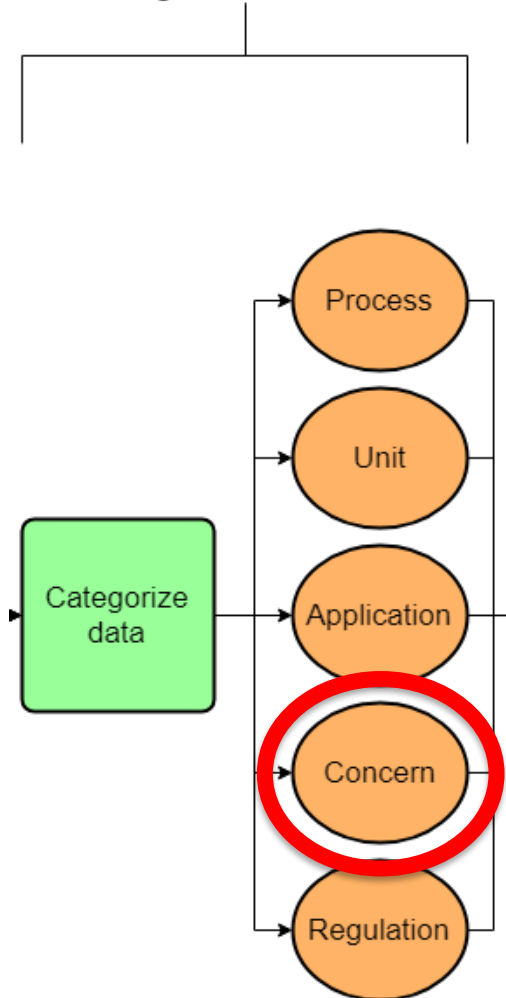
Information	Concern	Process
Using app for ProCard documentation	Force postings	ProCard
Workers compensation litigation	Litigation against the University	Workers Compensation
Employee allegedly reporting incorrect time	Time theft	Compensation
Alleged forged transcript	Forgery of transcript	Admissions
New vendor onboarding application	New application training	Vendor Setup

Assign Information: Regulation

Assign Information
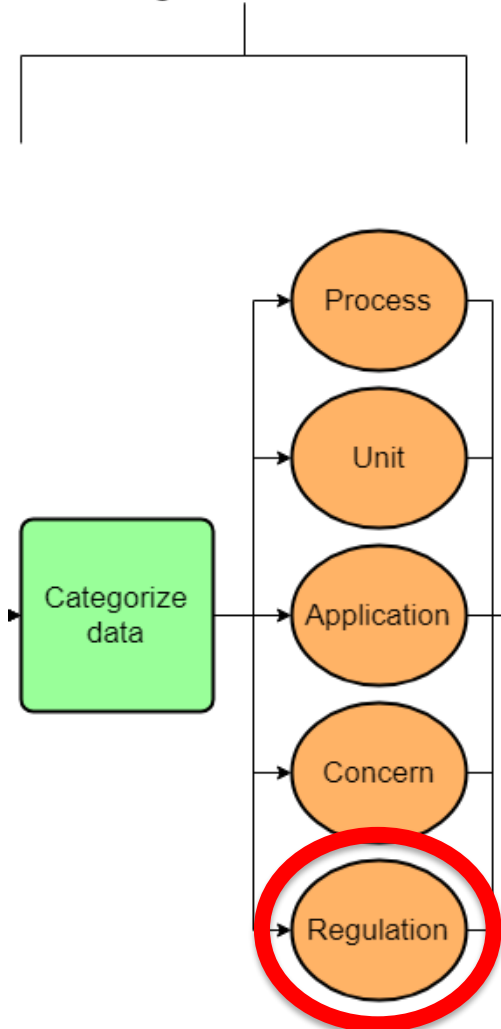
Information	Regulation	Process
Using app for ProCard documentation	BPM E-7-16: Procurement Cards	ProCard
Workers compensation litigation	KRS 342: Workers' Compensation in Kentucky	Workers Compensation
Employee allegedly reporting incorrect time	HR #30.0 Compensation Administration	Compensation
Alleged forged transcript	18 U.S. Code Chapter 25 – Counterfeiting and Forgery	Admissions
New vendor onboarding application	BPM B-2: General Purchasing and Contracting Authority	Vendor Setup

Categorize data

Process

Unit

Application

Concern

Regulation
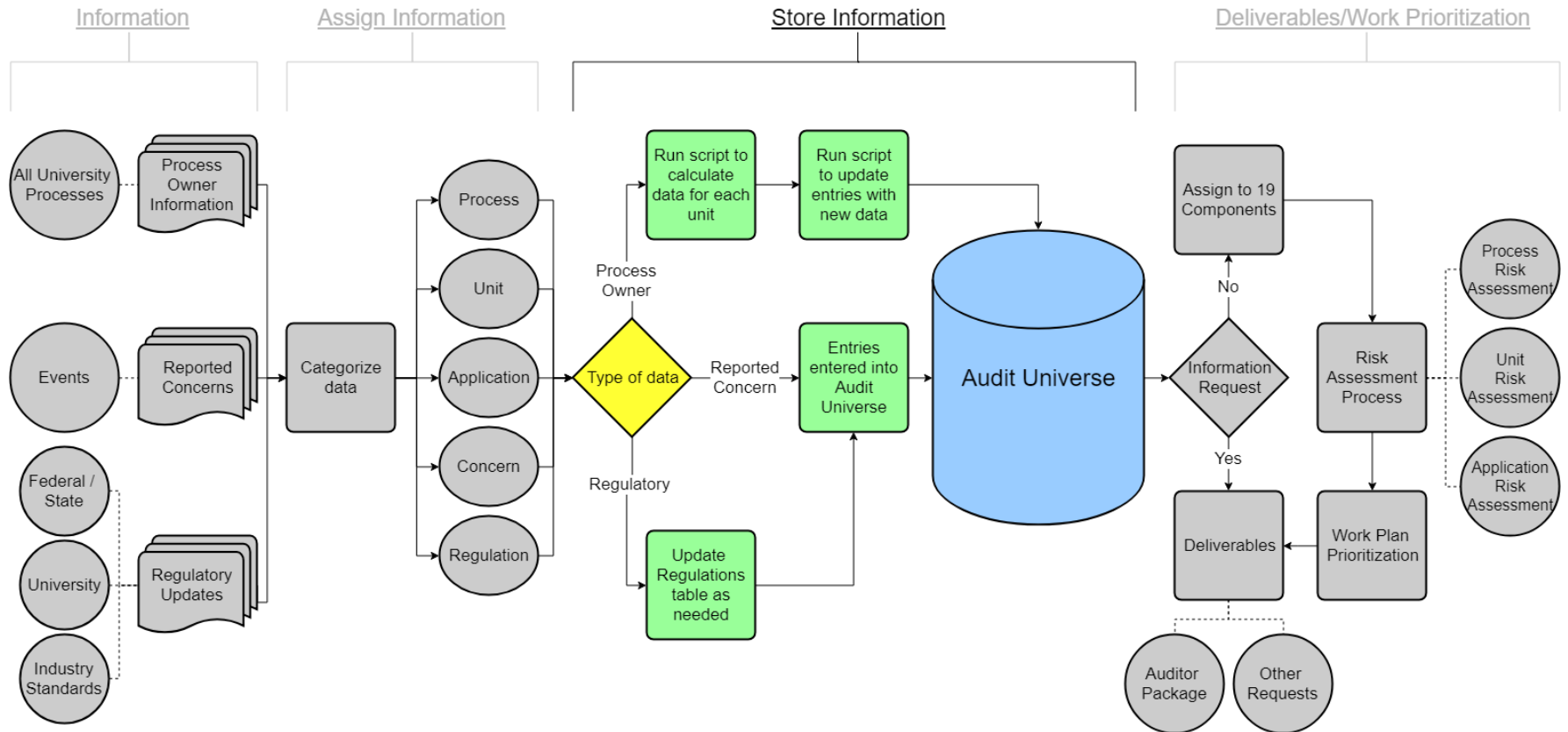
Store Information
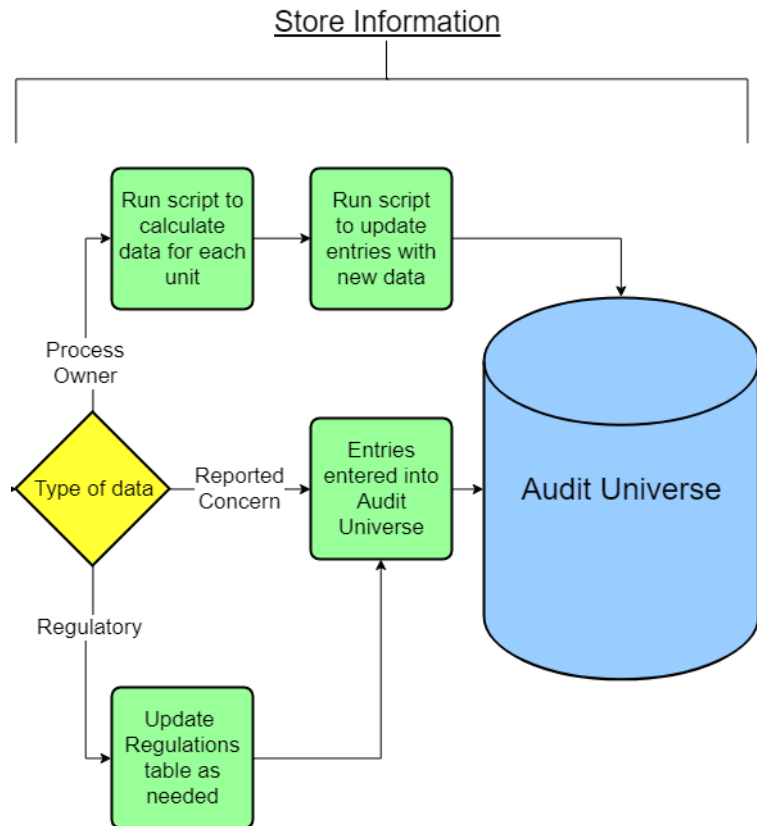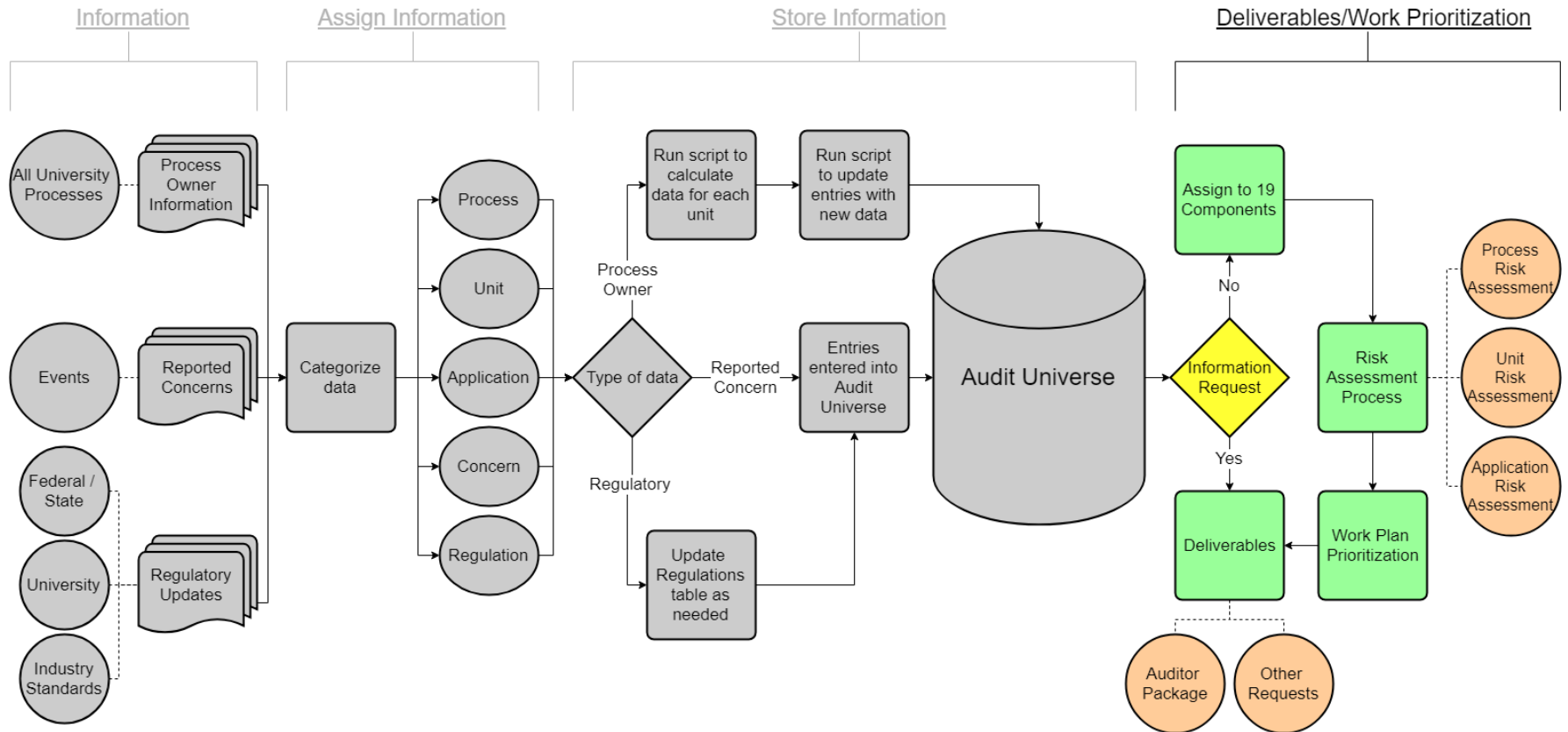
Store Information

Information currently stored in the Audit Universe...

- *300+ processes*
- *900+ units*
- *200+ applications*
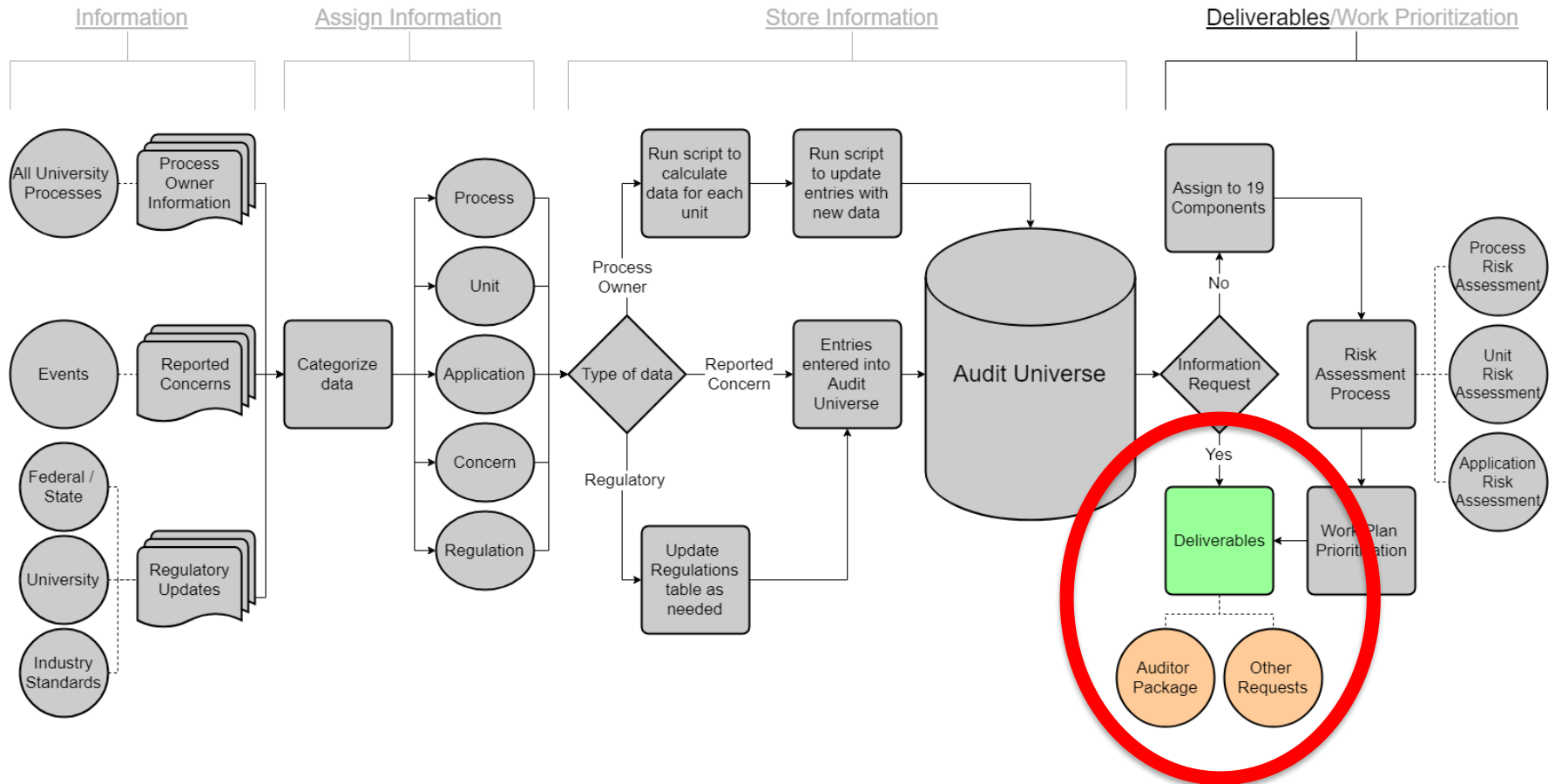- *400+ concerns*
- *1000+ regulations*
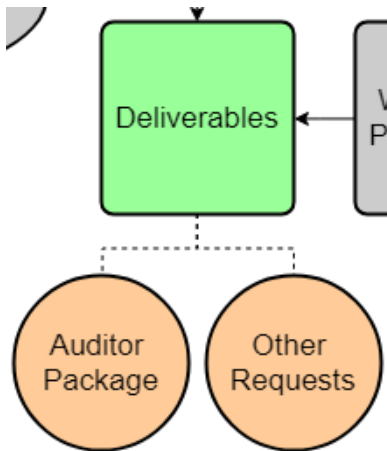
…and growing every day.

Deliverables

Deliverables
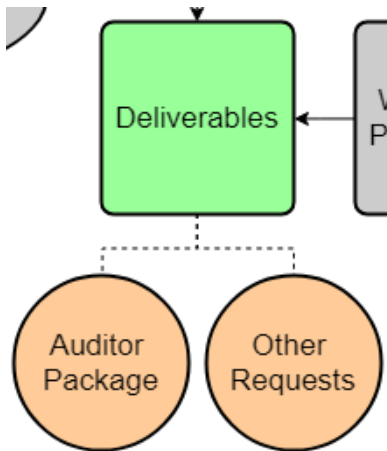
Deliverables:
Process – Compensation

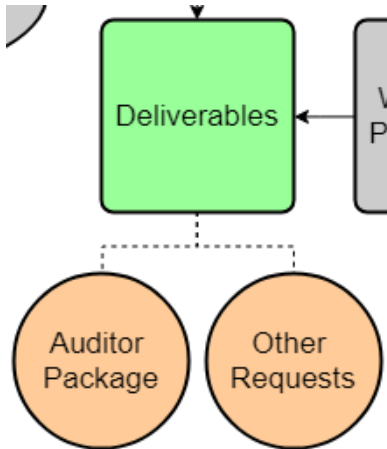| Source	Information	Date	Unit	Concern
Comply Line	Employee allegedly reporting incorrect time	6/30/17	Unit A	Time Theft
Comply Line	Employees not completely relieved from duty during meal period	8/30/17	Unit B	Fair Labor Standards Act (FLSA)Violation
Process Owner	Employees not being paid for travel time	10/31/18	Unit C	FLSA Violation

Deliverables:
Unit – A

Source	Information	Date	Process	Concern
Comply Line	Employee allegedly reporting incorrect time	6/30/17	Compensation	Time Theft
Email to UKIA	Employee is being rude and condescending to staff	8/19/17	Work Environment	Bullying
Call to UKIA	Employee talking inappropriately on the phone in the workplace	7/25/18	Work Environment	Inappropriate Employee Conduct

Deliverables:
Application – KRONOS

Source	Information	Date	Process	Concern
Comply Line	Employee allegedly clocking in remotely	12/3/12	Compensation	Time Theft
Process Owner	Employee not taking lunch, but having time automatically deducted	8/22/18	Compensation	FLSA Violation
UKIA Activities	Employee allegedly deleted others' time records	1/26/19	Compensation	Unauthorized Record Changes

Deliverables

- **Auditor Package**
  - Audit Universe Report (units, processes, applications, regulations, comply line calls, etc.)
  - Unit organizational structure and any recent changes
  - Unit strategic plan

Deliverables

- **Special Requests**
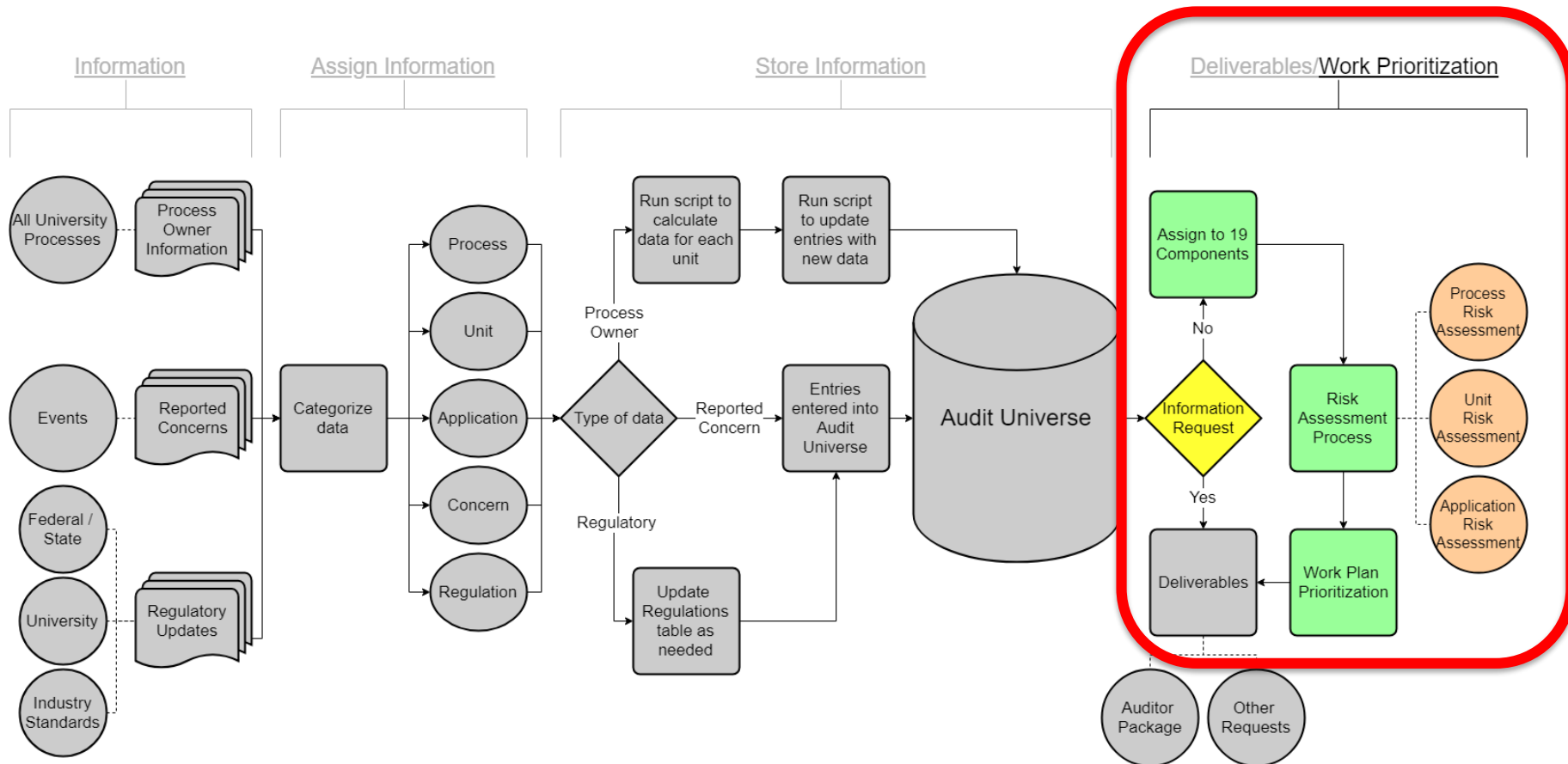 Information from Audit Universe
  compiled upon request from:
  - Unit being reviewed for additional insight
  - University partners regarding a specific issue
  - Internal needs (UKIA)

Internal Audit
Mission Statement

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