Fiscal Year 2020 Risk Assessment and Internal Audit Plan
UM

Attached is the proposed Risk Assessment and Internal Audit Plan being presented to the Board for approval at the June 20, 2019 meeting. The proposed plan contains 49 Internal Audit projects for FY 2020. A brief breakdown of the projects by campus and type is included below. Additionally, 15 projects from FY 2019 are proposed to be cancelled.

Unit	Assurance Projects	Consulting Projects	Total
UM System	6	0	6
UMKC	6	2	8
Missouri S&T	6	2	8
MU	7	2	9
MU Health	11	0	11
UMSL	5	2	7
Total	41	8	49

No. 1

Recommended Action –   Fiscal Year 2020 Risk Assessment and Internal Audit Plan, UM

It was recommended by Vice President Rapp, endorsed by President Choi, recommended by the Audit Committee, moved by Curator _____, seconded by Curator _____, that the attached Fiscal Year 2020 Risk Assessment and Internal Audit Plan be approved.

Roll call vote of Committee:	YES	NO
Curator Brncic		
Curator Farmer		
Curator Graham		
Curator Layman		

Roll call vote:	YES	NO
Curator Brncic		
Curator Chatman		
Curator Farmer		
Curator Graham		
Curator Layman		
Curator Phillips		
Curator Snowden		
Curator Steelman		
Curator Sundvold		

The motion _____.

June 20-21, 2019

Internal Audit & Consulting Services

FY20 Risk Assessment and Internal Audit Plan

June 2019

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Introduction

This report provides the result of the annual risk assessment for the UM System, its four universities and MU Health and includes the proposed fiscal year 2020 Internal Audit Plan. The objective of this risk assessment is to align internal audit resources to the areas of most concern at this point in time. Risk assessment is a continuous and iterative process. Last year leaders of key departments and functions across the four universities and health system were interviewed to understand their concerns and perspectives about the challenges of individual units, each of the entities and the system. This year The FY2020 proposed Internal Audit Plan was developed collaboratively with the senior leadership teams at the universities, system and MU Health.

UM System Higher Education Risk Assessment and Internal Audit Plan Development

Discussions with University and System senior leaders were guided by:

The four themes identified in last year's risk assessment process. These themes remain relevant as the leaders at all levels in the system continue the necessary work of transforming culture and business practices to become fully student and patient focused organizations whose primary mission is in meeting the needs of Missourians and beyond. These themes are:

1. *Capability for Transformation*
   The ability to execute on transformative issues, particularly the challenge of shifting to a more collaborative, innovative and accountable culture focused on resolving issues and moving forward.

2. *Business Processes*
   How inefficient processes contribute to the inability to move quickly on change initiatives. It is important to identify processes that hinder the integration of innovation. The manual nature of many work processes diverts staff time from building relationships with faculty and students so concerns can be better understood and addressed. There was a general sense that processes across campuses were reinvented too much and moving towards a collaborative/shared model is as necessary as improving and automating the processes.

3. *Technology*
   Technology was viewed as an enabler for changing the underlying business models for educating students, conducting research and providing infrastructure to assist with collaborative efforts across campuses. Specific challenges noted to utilizing technology for change and collaboration included the need for a data analytics approach, better tools for timely reporting without manual processes to compile information, and increased automation of workflow in general.

4. ***Talent***
   The ability to retain and/or attract the talent needed to position the organization for sustainable, long-term success. Specifically noted were the ability to attract and retain researchers which is important to retaining the AAU designation; and the ability to offer competitive salaries to ensure staff skill sets needed as the administrative functions are reorganized.

The five strategic compacts for achieving excellence. These are the unifying principles that inform and guide the universities strategic plans. Thought and consideration was given to the academic and business areas most important to achieving excellence in these five areas. These five compacts for excellence are:

1. Excellence in Student Success
2. Excellence in Research and Creative Works
3. Excellence in Engagement and Outreach
4. Excellence in Operations, Planning and Stewardship
5. Inclusive Excellence

The knowledge about our processes and departments from conducting audits and investigations over these past two years. This knowledge was considered in shaping the focus of internal audits in this next fiscal year. Senior leader perspectives, challenges and overall concerns were combined with this knowledge to arrive at the FY2020 proposed internal audit plan.

Highlights for the FY2020 Higher Education Proposed Internal Audit Plan

This year's proposed internal audit plan includes two consulting engagements and four audits related to the Excellence in Research and Creative Works Compact. Enhancing structures and processes related to research will impact student success and the ability to attract high potential faculty and established faculty who are experts in their field. All four universities are focused on this initiative. Aligning internal audit resources to assist with streamlining research processes and strengthening compliance with regulations will supplement the work already underway by research leaders at each university.

The two consulting engagements are:

1. ***Grant Management Consulting Project***. Internal Audit will facilitate a collaborative process with the senior leaders responsible for research and the subject matter experts at each of the universities to evaluate how grants are managed once secured. The overall objective is to identify opportunities for streamlining, automating and standardizing the process throughout the system and reduce the burden on faculty researchers in managing their grants. As part of this engagement, Internal Audit will gather information about how other universities are organized to support faculty researchers, particularly in the area of grant management.

2. ***Intellectual Property/Patent Ownership and Royalties Consulting Project***. The objective of this project is to assess and evaluate the guidance related to these three areas at each of the universities and provide recommendations to close gaps and clarify the relationship between the universities and faculty in these three critical areas. This work will be done in collaboration with the Office of General Counsel and research leaders throughout the system.

Additional audits related to the <u>Research and Creative Works</u> compact include:

- Conflict of interest and commitment
- Faculty awards and incentives
- Data management in research activities

The remaining proposed audits addressing concerns related to operations, reputation, compliance and safeguarding of assets are detailed below by the related compact of excellence.

<u>Excellence in Student Success</u>

- Assessment of scholarship awards to donor restrictions and/or established criteria
- Assessment of student fee use in accordance with purpose

<u>Excellence in Engagement and Outreach</u>

- Assessment of Extension financial structures that support county extension offices

<u>Excellence in Operations, Planning and Stewardship</u>

- International Studies – MU
- General officers and senior leaders expense report reviews
- Unannounced One Card reviews in two areas
- Procurement and Supply Chain operational effectiveness review
- Accounts Payable operational effectiveness review

Proposed audits related to <u>compliance</u> areas include:

- Assessment of hazardous chemicals use and compliance with regulations
- Security review of the case management system used by Title IX and Student Affairs (Maxient)
- Third party assessment by an outside company of the UM System Information Security Program against standards and leading practices

MU Health Risk Assessment and Internal Audit Plan Development

MU Health continues operating in a pay for volume reimbursement environment while preparing for the shift to value based care and population health management. Operating between two reimbursement models is a driving factor in organizations pushing to manage operations efficiently to lower cost, the need to effectively use technology, and to focus on patient experience and engagement. The two major event driven risk areas for MU Health in this upcoming fiscal year are its growth strategies and upcoming conversion of its revenue cycle system. Continuing to meet standards of care and compliance obligations are additional risk areas. Internal Audit engaged senior leaders in conversation around these initiatives to understand concerns. The proposed MU Health Internal Audit Plan includes audits in areas related to strategic growth, compliance and standards of care, the revenue cycle implementation, and UM System audits that include MU Health.

Highlights for the FY2020 MU Health Proposed Internal Audit Plan

Strategic Growth of MU Health
MU Health continues preparing for value based care through partnerships with selected community hospitals and other healthcare providers. Growth and clinical scale impacts the ability to attract NIH funding for clinical research. Proposed audits in the areas related to growth for MU Health include the following:

- Review of the Organized Health Care Arrangement governing the EMR extension to Lake Regional Hospital
- Review of the governance structure for overseeing the components related to the transition to value based care
- Review of financial, operational and compliance activities for Mizzou Retail Pharmacies
- Review of strategies for decreasing supply costs

Standards of Care and Compliance
MU Health is in the second year of a three year transition process from Joint Commission on Accreditation of Healthcare Organizations (JCAHO) to Det Norske Veritas (DNV) accreditation. In the third year, DNV will conduct an onsite visit and will expect implementation of ISO standards through the establishment of quality management systems. Internal audit has included a pre-implementation assessment of two areas on the proposed FY2020 plan to conduct a review prior to the DNV visit. The scope of these reviews will be determined as MU Health leadership finalizes implementation plans. These areas may include:

- A review of policy oversight practices
- A review of quality management systems

Compliance audits will be performed in the areas of:

- Physician incentive compensation
- Controlled substances
- Conflict of interest and commitment

Revenue Cycle System Implementation
MU Healthcare is transitioning from the GE/IDX revenue cycle system to the Cerner revenue cycle system. Internal audit is attending meetings of the governance committee overseeing implementation efforts and will provide pre-implementation review of project management milestones, testing and conversion plans.

FY2020 Proposed Internal Audit Plan

Engagement	Description	Location(s)	Quarter Work Begins
Extension	Assessment of financial structure and processes across a sample of counties	MU	1st Qtr. Jul - Sep
Retail Pharmacy	Review of financial, operational and compliance activities for the Mizzou retail pharmacies.	MU Health	1st Qtr. Jul - Sep
Intellectual property/patent ownership/royalties	Consulting engagement to evaluate the guidance related to these three areas at each of the universities. In collaboration with the Office of General Counsel and research leaders, provide recommendations for strengthening the guidance and standardizing across the system.	MU, UMKC, Missouri S&T, and UMSL	1st Qtr. Jul - Sep
Lab Safety	Assessment of hazardous chemicals use and compliance with regulations	MU	1st Qtr. Jul - Sep
International Studies	Review of financial, operational and compliance activities for International Studies.	MU	2nd Qtr. Oct - Dec
Physician Incentive Compensation	Review processes to calculate physician incentive compensation and identify areas for operational efficiencies.	MU Health	2nd Qtr. Oct - Dec
EMR Extension to Lake Regional Hospital	Post implementation review of the Organized Health Care Arrangement governing the EMR extension to Lake Regional Hospital.	MU Health	2nd Qtr. Oct - Dec
Lab Safety	Assessment of hazardous chemicals use and compliance with regulations.	UMKC, Missouri S&T, UMSL	2nd Qtr. Oct - Dec
One Card	Unannounced One Card transaction reviews in two selected areas.	Two locations unannounced	2nd Qtr. Oct - Dec
Grant Management	Consulting project to evaluate the grants management processes to identify opportunities for automation, streamlining and standardizing across the four universities.	MU, UMKC, Missouri S&T, UMSL	2nd Qtr. Oct - Dec

Engagement	Description	Location(s)	Quarter Work Begins
Transition to Value Based Care	Review of the governance structure for overseeing the components related to the shift to value based care.	MU Health	3rd Qtr. Jan - Mar
Controlled Substances	Assessment of practices for purchasing, storing and safeguarding controlled substances.	MU Health	3rd Qtr. Jan - Mar
Policy Oversight	As part of the DNV accreditation process, review policy oversight prior to evaluation by DNV.	MU Health	3rd Qtr. Jan - Mar
Maxient Security Review	Evaluate the configuration operation and administration against the requirements of the UM Information Security Program.	UM System	3rd Qtr. Jan - Mar
Export Controls	Assess compliance with regulations and make recommendations for improving coverage across all four universities.	UMKC, Missouri S&T	3rd Qtr. Jan - Mar
Scholarship Awards	Assessment of scholarship awards to donor restrictions and/or established criteria.	MU, UMKC, Missouri S&T, UMSL	3rd Qtr. Jan - Mar
Conflict of Interest & Commitment	Effectiveness assessment of the conflict of interest and commitment process against established criteria.	MU, Missouri S&T, MU Health	3rd Qtr. Jan - Mar
Quality Management Systems	As part of the DNV accreditation process, review quality management systems oversight processes prior to evaluation by DNV	MU Health	4th Qtr. Apr - June
Faculty Awards and Incentives	Assessment of policies, criteria and standards governing faculty award programs.	MU, UMKC, Missouri S&T, UMSL	4th Qtr. Apr - June
Conflict of Interest & Commitment	Effectiveness assessment of the conflict of interest and commitment process against established criteria.	UMKC, UMSL	4th Qtr. Apr - June
Procurement & Supply Chain	Operational effectiveness assessment.	UM System	4th Qtr. Apr - June
Procurement & Supply Chain	Review of strategies for decreasing supply costs.	MU Health	4th Qtr. Apr - June
Accounts Payable	Operational effectiveness assessment.	UM System	4th Qtr. Apr - June

Engagement	Description	Location(s)	Quarter Work Begins
Data Management in Research Activities	Assess the sufficiency and effectiveness of IT security controls during each step of the research life cycle. Area TBD.	TBD	4th Qtr. Apr - June
Student Fees	Assessment of student fee use in accordance with purpose.	MU, UMKC, Missouri S&T, UMSL	4th Qtr. Apr - June
UM System Information Security Program	Evaluation of current program against standards and leading practices. A third party vendor will conduct the evaluation.	UM System	TBD
Revenue Cycle System Implementation	Attend governance committee meetings and provide pre-implementation review of testing and conversion plans.	MU Health	Ongoing
Risk Assessment Development Project	Incorporate financial and performance data, results from audits and investigations, and management response to strategic initiatives and challenges into the assessment of risk areas related to academic, clinical and business operations, information technology and compliance.	UM System	Ongoing
Monitoring of Management Action Plan Implementation	Review the status of prior audit recommendations.	UM System	Twice per year

Evolving to a Continuous Risk Assessment and Rolling Audit Plan

Another major project on the FY2020 Internal Audit Plan is developing a continuous *Risk Assessment Approach.* An added component will be the gathering of information from our associates at all levels and entities throughout the UM System through surveys. This information will be supplemented with financial and performance data, results from audits and investigations, and ongoing conversations with leaders about strategic initiatives, risks and culture. This will result in a transparent process for assessing risks continuously with changes to the audit plan driven largely by emerging events and concerns of leadership. Leaders throughout the UM System and the Audit Committee of the Board of Curators will participate in finalizing the risk assessment methodology for the System.

When a continuous risk assessment process is in place, Internal Audit recommends shifting from a fiscal year annual plan to a rolling audit plan. This provides the opportunity to move audits up in priority as resources, events, emerging issues or management concerns change.

Below are audits generated through this year's plan development process and from the FY2019 plan that Internal Audit considers as part of a rolling plan.

Engagement	Description	Location
Formula Funding	Assessment of formula funding compliance.	MU & Missouri S&T
Controlled Unclassified Information	For affected universities, assess compliance with requirements established by applicable statute/regulation for protecting information classified as controlled, unclassified information.	TBD
Clery Reporting	Assesse compliance with regulations.	MU, UMKC, Missouri S&T, UMSL
Enrollment Management	Assessment of admissions processes for transparency, efficiency, effectiveness and bias against disadvantaged populations.	MU, UMKC, Missouri S&T, UMSL
Payroll	Evaluation of payroll processes from front-end data entry through payment.	System
Staff Awards & Incentives	Assessment of policies, criteria and standards governing staff award programs.	MU, UMKC, Missouri S&T, UMSL
Kronos Time Keeping System.	Assessment of the Kronos time keeping system.	MU Health
Narrow Network for Small Businesses	Review of financial and operational activities post-implementation.	MU Health

Engagement	Description	Location
Extension of the EMR to Cap Region Medical Center	Post implementation review of the Organized Health Care Arrangement governing the EMR extension to Cap Region Medical Center.	MU Health
Quality Management Systems	Consider audits of quality management systems for departments accredited through other organizations than DNV.	MU Health
Athletic Compliance Effectiveness	Evaluate effectiveness of compliance program and procedures in place to prevent and/or detect NCAA policy violations.	MU
Mizzou Recreation Facility	Assessment of controls over selected finance and operations processes.	MU
MOREnet	Areas to review TBD.	System
Construction	Outside review of construction projects management	MU
End User Device Encryption	Assessment of controls over encrypting, deploying and end of service processes for devices on the MU Health network.	MUHC
IT Procurement Processes	Assessment of IT procurement processes and compliance with internal policies.	System
PeopleSoft Access Controls	Assess the mechanisms for requesting, approving, granting, modifying and terminating access to PeopleSoft to ensure each user has the appropriate level of access at all times.	System
IT Business Continuity	Assessment of business continuity plan for a key IT system.	System
Campus Facilities Management	Review current practices and processes for managing operations and inventory.	UMSL

FY2020 Proposed Internal Audit Plan Coverage Summary

Internal Audit will coordinate with each university and MU Health as to the priority of completing the audit work. The plan will be adapted to address any emerging issues or concerns as the fiscal year progresses.

Unit	Assurance Projects	Consulting Projects	Total
UM System	6	0	6
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Total	41	8	49

FY2019 Audit Plan Recommended Cancellations

The following audits/consulting engagements are recommended for cancellation.

Unit	Engagement	Reason for Cancellation	Engagement Type
UM System	HIPAA Security Rule Assessment	Not identified as a priority project for FY2020.	Assurance
	Administrative Review Assessments	Assistance not requested.	Assurance
UMKC	Grants Effort Reporting	The results from the MU Grants Effort Reporting will be applied to other universities.	Assurance
Missouri S&T	Grants Effort Reporting	The results from the MU Grants Effort Reporting will be applied to other universities.	Assurance
	College/Department Reviews	Assistance not requested.	Assurance
MU	College/Department Review	Assistance not requested.	Assurance
	Construction – South End Zone	Shifted from a concurrent review of allowable expenses to contract to a review after project completion.	Assurance
	HIPAA Security Rule Assessment	Not identified as a priority project for FY2020.	Assurance
	Assist CAFNR in establishing financial reviews of research farms	Resources deployed to other projects.	Consulting

Unit	Engagement	Reason for Cancellation	Engagement Type
MU Health	HIPAA Security Rule Assessment	Not identified as a priority project for FY2020.	Assurance
	High Use Outpatient Physical Therapy	Not identified as a priority project for FY2020.	Assurance
	CSA and CFMG Payroll Processes	Not identified as a priority project for FY2020.	Assurance
	Clinic pre-authorization processes for commercial payers	Not identified as a priority project for FY2020 given implementation of a new revenue cycle system.	Assurance
UMSL	HIPAA Security Rule Assessment	Not identified as a priority project for FY2020.	Assurance
	Delegation of Authority	Not identified as a priority project for FY2020.	Assurance

UM System Audit Universe

Administrative Units
1   President's Office
2   Information Systems*
3   Human Resources
4   Finance*
5   General Counsel
6   Academic Affairs
7   Board of Curator's Office
8   Benefits (Total Rewards)*
9   Self-Insurance (Risk and Insurance)
10   Central Bank (Treasurer's Office)*

Auxiliary Units/Enterprise Like Operations
11   Research Parks
12   MOREnet

*Indicates the unit has received an audit in last 5 years

MU Audit Universe

Academic Units
 1 **Ag, Food & Nat Resources***
 2 Business
 3 Education
 4 Arts & Science*
 5 Engineering*
 6 Human Environmental Sciences*
 7 School of Health Professions
 8 Journalism*
 9 Law
10 Library
11 Medicine*
12 Nursing
13 Provost*
14 Truman School of Public Affairs
15 Veterinary Medicine*
16 Research, Graduate Studies & Econ Development+
17 University Extension+

Administrative Units
18 **Information & Access Tech Svcs***
19 Campus Operations
20 Campus Facilities
21 Alumni & Advancement
22 Chancellor's Office
23 Business Services - Gen Admin*
24 Vice Chancellor for Finance
25 Student Affairs*
26 Marketing & Communications*
27 Enrollment Management

Enterprise Like Operations
28 Medical Contracted Services
29 Adventure Club*
30 Assessment Resources Center
31 Research Reactor
32 Student Health Center
33 Vet Medicine Diagnostic Lab
34 Vet Medicine Teaching Hospital
35 University Physicians*

Auxiliary Units
36 **Bookstore***
37 Other Auxiliary & Svc Ops
38 Parking & Transportation*
39 Housing (Residential Life)*
40 University Centers
41 Dining Services
42 Independent Study Student Svcs
43 Intensive English Program
44 International Center+
45 Recreation Facility
46 Television Station
47 University Catering
48 University Press
49 eMINTS
50 Intercollegiate Athletics*

Service Operations
51 Building Services
52 Planning, Design & Construction
53 Telecommunications
54 AES Research Support Services
55 Energy Management

*Indicates the unit has received an audit in last 5 years
+ Indicates the unit has an audit scheduled for FY2019

MU Health Audit Universe

Provider Units
1 University Hospital*
2 Women & Children's Hospital*
3 Missouri Orthopedic Center
4 Ellis Fischel Cancer Center
5 Missouri Psychiatric Center
6 Hospital Based Clinics*
7 Non-Hospital Based Clinics

Professional Services Units
8 Laboratory
9 Radiology*
10 Pharmacy*
11 Rehabilitation Services
12 Cardiology*
13 Respiratory Therapy
14 Mizzou Therapy Services

Support Services
15 Food/nutrition
16 Environmental
17 Plant Engineering Maintenance*
18 Housekeeping
19 Security/Parking
20 Engineering Services

Administrative Units
21 Public Relations
22 Patient Financial Services*
23 Human Resources*
24 Compliance*
25 Quality*
26 Finance*
27 Medical Staff Affairs
28 Graduate Medical Education
29 Managed Care
30 Marketing & Planning*
31 Sourcing & Supply Chain+
32 Medical Records*
33 Admitting/Registration/Scheduling

Clinical Services Units
34 Nursing Services*
35 Surgical Services
36 Emergency Services
37 Women's Health
38 Medical Services
39 Pediatrics
40 ICU/CCU

Affiliates
41 Health Network of Missouri
42 Columbia Surgical Services*
43 Capital Region Medical Center
44 Columbia Family Medical Group
45 Lake Regional Hospital+

*Indicates the unit has received an audit in last 5 years
+Indicates the unit has an audit scheduled for FY2019

UMKC Audit Universe

Academic Units
1 College of Arts & Sciences
2 School of Biological Sciences
3 **Bloch School of Management***
4 Office of Cultural Events
5 **School of Dentistry***
6 **School of Education***
7 Continuing Education & Extension
8 School of Graduate Studies
9 Institute for Human Dev
10 Honors College
11 UMKC Innovation Center
12 School of Law
13 Libraries
14 School of Medicine
15 Conservatory of Music & Dance
16 School of Nursing & Health St
17 Online Learning
18 School of Pharmacy
19 **Research+**
20 **School of Computing & Engineering***
21 University College

Administrative Units
22 **Provost's Office***
23 **Information Services***
24 **Finance & Administration***
25 University Advancement
26 Chancellor's Office
27 Diversity Office
28 Human Resources
29 **Marketing & Communications***
30 Financial Aid
31 **Student Affairs & Enrollment***
32 Facilities

Auxiliary Units
33 Intercollegiate Athletics
34 University Bookstore
35 Printing Operations
36 Campus Utilities
37 **Parking***
38 Student Housing & Dining
39 Student Rec Center
40 Student Auxiliaries

*Indicates the unit has received an audit in last 5 years
+Indicates the unit has an audit scheduled for FY2019

Missouri S& T Audit Universe

Academic Units
1 **Graduate Studies***
2 **Global & Online Learning***
3 Undergraduate Studies
4 **College Arts, Science & Business***
5 **College Engr & Computing***
6 Research Centers

Administrative Units
7 **Provost's Office***
8 Info Access & Tech Services
9 **Finance & Administration***
10 **University Advancement***
11 **Chancellor's Office***
12 **Sponsored Programs***
13 Human Res, Equity & Inclusion
14 Global & Strategic Partnerships
15 Enrollment Management
16 Student Affairs History & Political Science
17 **Advancement Services***

Auxiliary Units
18 Student Housing & Dining
19 Student Rec Center
20 University Centers

Service Operations
21 Building Services
22 Planning, Design & Construction
23 Telecommunications

*Indicates the unit has received an audit in last 5 years

UMSL Audit Universe

Academic Units
**1 College of Arts & Sciences &
   Fine Arts***
2 Center for Academic Development
3 College of Business Admin*
4 Office of Int Stud & Programs
5 College of Education
6 UMSL/Washington Univ. Engineer
7 Evening College
8 Graduate School & Research*
9 Libraries
10 College of Nursing
11 Online Education
12 College of Optometry
13 Honors College
14 Office of Public Policy
15 School of Social Work

Service Operations
16 Planning, Design & Construction
17 Central Mail
18 Computing Services
19 Printing Services
20 General Stores
21 Telecommunications

Administrative Units
22 Student Support Services
23 Chancellor
24 Provost Office (Academic Affairs)
25 University Advancement*
**26 University Advancement
   Marketing***
27 Finance & Administration*
28 Human Resources
**29 Information Technology
   Services***
30 Institutional Safety

Enterprise Like Operations
31 Performing Arts Center

Auxiliary Units
32 Bookstore
33 Child Development
34 Multi-Purpose Building
35 Housing (Residential Life)
36 Rental Property

*Indicates the unit has received an audit in last 5 years

University of Missouri System
Board of Curators

June 20, 2019
Audit Committee

FY2020 Risk Assessment and Internal Audit Plan

UM

Risk Assessment and Plan Development Objectives

- A flexible and comprehensive plan developed collaboratively with senior leadership

- Alignment of internal audit resources with the academic and business areas most important to achieving the Compacts of Excellence

- Integration of what has been learned from audits and investigations

Plan Highlights

- Includes opportunities to streamline, automate and standardize across universities the:
  - Back-end grants management process
  - Guidance related to intellectual property, patient ownership and royalties
- Audits and consulting projects will address the risk areas of grants, compliance, business operations, environmental health and safety, safeguarding of assets and reputation
- The MU Health plan addresses risks in the areas of strategic growth, compliance, revenue cycle and standards of care

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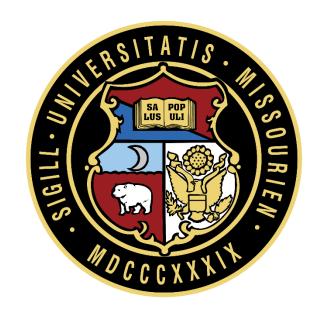# Continuous Risk Assessment and Rolling Audit Plan

- Wider gathering of information through surveys to supplement conversations with leadership

- Tighter integration by audit units:
  - Financial and performance data
  - Results from audits and investigations
  - Conversations with leaders about strategic initiatives, risks and culture

- RESULTS:
  - Ability to assess risks continuously with changes to the audit plan driven by emerging events and concerns of leadership
  - Shift to a rolling audit plan

Key Takeaways

- Flexible and comprehensive plan reflecting leadership concerns and knowledge from audits and investigations and related to areas of strategic importance

- Consulting engagements with leadership to help in standardizing the back-end grants management processes and guidance related to research across all four universities

- Work to help move the UM System to a continuous risk assessment process and rolling audit plan

University of Missouri System

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