Office of the President
June 18, 2015

Members, Audit and Compliance Subcommittee:

PROPOSED INTERNAL AUDIT FISCAL YEAR 2015-16 WORK PLAN

Recommendation: that the proposed Internal Audit Fiscal Year 2015-16 Work Plan be approved effective July 1, 2015.

Background: Per the Audit and Compliance Subcommittee (ACS) Charter, the ACS is required to review and approve the Internal Audit Work Plan annually. The proposed Work Plan is attached.

Action taken: ☑ Approved   ❑ Disapproved   ❑ Other _____

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UNIVERSITY OF KENTUCKY
Internal Audit

FY16 Work Plan
June 18, 2015

AGENDA

1. Objectives

2. Continuous Commitments

3. New Commitments

4. Work Plan Proposal

Work Plan Objective

| Professional Standards	UKIA Adherence
IIA Performance Standard 2020- *Communication and Approval* states "The chief audit executive must communicate the internal Audit activity's plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. The chief audit executive must also communicate the impact of resource limitations."	UKIA objectives for its annual work plan are to achieve the following: • Transparency • Flexibility • Work Plan based on a documented Risk Assessment that includes input of Senior Management and the Board • Work Plan that aligns UKIA resources with UK Objectives

Work Plan Creation Process

Consolidation

Involves refinement of risk assessment results using the following steps:

1. Audit Coverage - Assigning ED to each auditable entity

2. External Factors – Considering current industry events

3. Management Concerns – Being responsive and responsible

4. Unplanned Activities – Being flexible and adaptable

5. Infrastructure – Continuing to Improve UKIA function

Framework
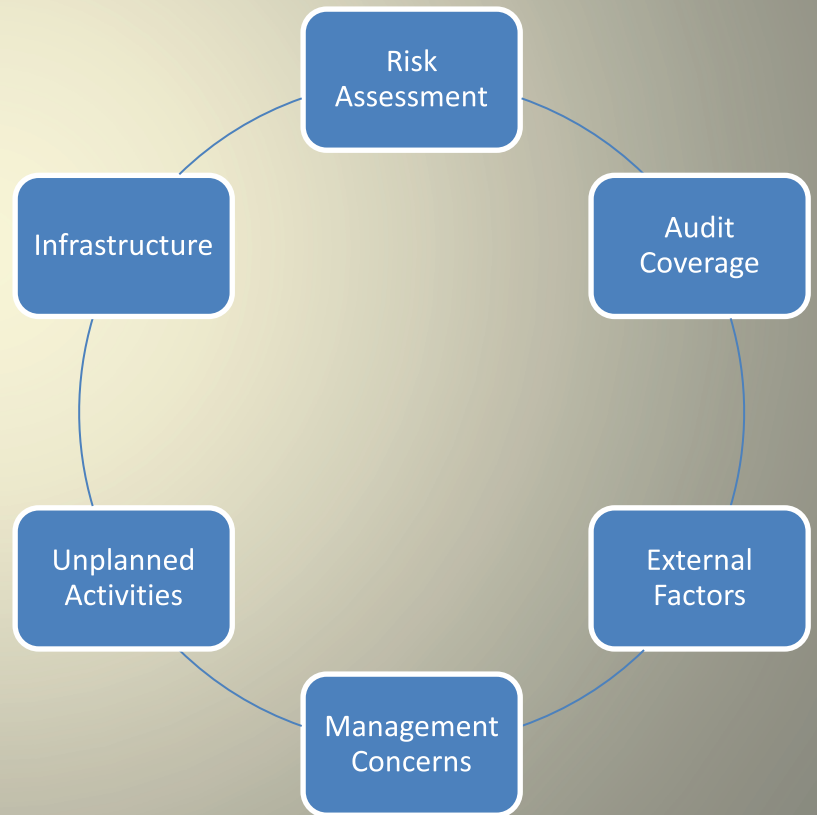
FY 2016 Infrastructure Plans

Continuous Improvement (4)	**Continuous Learning (4)**

Continuous Improvement (4)

- QAR Recommendations

- Application Enhancements
  - Work Paper Application
  - Data Mining
  - Audit Universe Repository

- Process Improvements
  - Internal Training Session

Continuous Learning (4)

- UK Employees
  - Seminars/Workshops
  - Committee Participation

- UK Students
  - Individual Interns
  - Team Academic Projects

- Professional Organizations
  - CKIIA Presentations
  - ACUA Presentations

Unplanned Activities

Proactive (5)	Reactive (5)
• Fraud Testing	• Direct Contact
• Data Mining Exceptions	• Management Requests
• Inquiries/Investigations	• Inquiries/Investigations
• Current Affairs	• Consultations/Advisories

FY 2016 Commitments

Audit Continuations (2)	Audit Cycle (2 & 3)
• FY 2015 Engagements • Post-Audit Consultation • Comply Line • Hospital Cash Operations • Parking and Transportation • Center for Rural Health • Follow-Up Reviews	• Student Affairs • Athletics • HIPAA • FERPA • Pledges

Framework for FY 2016 Commitments

Framework (1)

Emerging Risks (Trends)
- Cloud Computing
- Social Media
- Big Data

Current Affairs (Events)
- Ancillary Units
- Business Cards
- Data Exposures

Management Concerns
- New / Revised Regulations
- Research Integrity
- Contract Management

*Potential Commitments (2 & 3)

Academics
- Undergraduate Education
- School of Music
- Anatomy and Neurobiology

Affiliates
- Center on Aging

Campus
- Residential Halls (Student Housing)
- Office of International Affairs
- Registrar's Office (Student Billings)

Finance & Administration
- Payroll
- Construction
- Surplus Operations

Healthcare
- Nursing
- Patient Refunds / Adjustments
- Medical Billing & Coding

Some high scoring auditable entities via Risk Assessment results

FY 2016 Work Plan

1	Compliance Program	Total Assignments	Hours Forecast	Description
1	Process Validation	10	1,000	Continuous Audits - Process Validation
2	Data Mining	5	1,500	Continuous Auditing
		15	**2,500**	

2	Business/Operations Audits	Total Assignments	Hours Forecast	Description
1	Hospital Cash Operations	1	500	Audit Continuation - Regulatory Compliance and Data Intergity
2	Parking and Transportation	1	400	Audit Continuation - Regulatory Compliance and Data Intergity
3	Center for Excellence in Rural Health	2	100	Audit Continuation - Regulatory Compliance
4	Family Education Rights and Privacy Act (FERPA)	1	200	Audit Cycle - Regulatory Compliance
5	Athletics	2	300	Audit Cycle - Regulatory Compliance
6	Student Affairs	2	300	Audit Cycle - Regulatory Compliance
7	Fiscal Year 2015 Engagements	6	600	Audit Continuation
8	Comply Line	1	1,000	Audit Continuation
9	Post-Audit Consultations	1	400	Audit Continuation
10	Follow-up Audits	1	400	Evaluation of Resolutions
11	Undergraduate Education	1	600	Transition Audit
12	School of Music	1	400	Data Intergity and Financial Reporting
13	Construction Auditing	1	1,000	Regulatory Compliance
14	College of Medicine	1	800	Assessment of Financial Internal Controls
15	Center on Aging	1	300	Financial Reporting and Information Security
		23	**7,300**	

3	Information Technology Audits	Total Assignments	Hours Forecast	Description
1	Compliance Program	1	300	Data Analytics
2	Business / Operations Audits	1	1,400	Application Configuration and Information Security
3	HIPAA	1	200	Audit Cycle - Regulatory Compliance
4	Enterprise Applications	1	400	Application Configuration and Information Security
5	Data Center Review	1	600	Ancillary Systems
6	Follow-up Reviews	1	100	Evaluation of Resolutions
		6	**3,000**	

4	UKIA Infrastructure Plans	Total Assignments	Hours Forecast	Description of Audit Service
1	Continuous Improvement	3	425	QAR Recommendations, Application Enhancements and Process Improvements
2	Continuous Learning	3	425	UK Community Activities and Professional Organizations
		6	**850**	

5	Unplanned Activities	Total Assignments	Hours Forecast	Description of Audit Service
1	Proactive plans	4	1,500	Fraud Testing and Data Miniing Analyses
2	Reactive plans	4	2,000	Management Requests and Inquiries/Investigations
		8	**3,500**	

Total Hours Forecast **17,150**

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