



UNIVERSITY
OF
CALIFORNIA

Attachment 1



Draft Internal Audit Plan

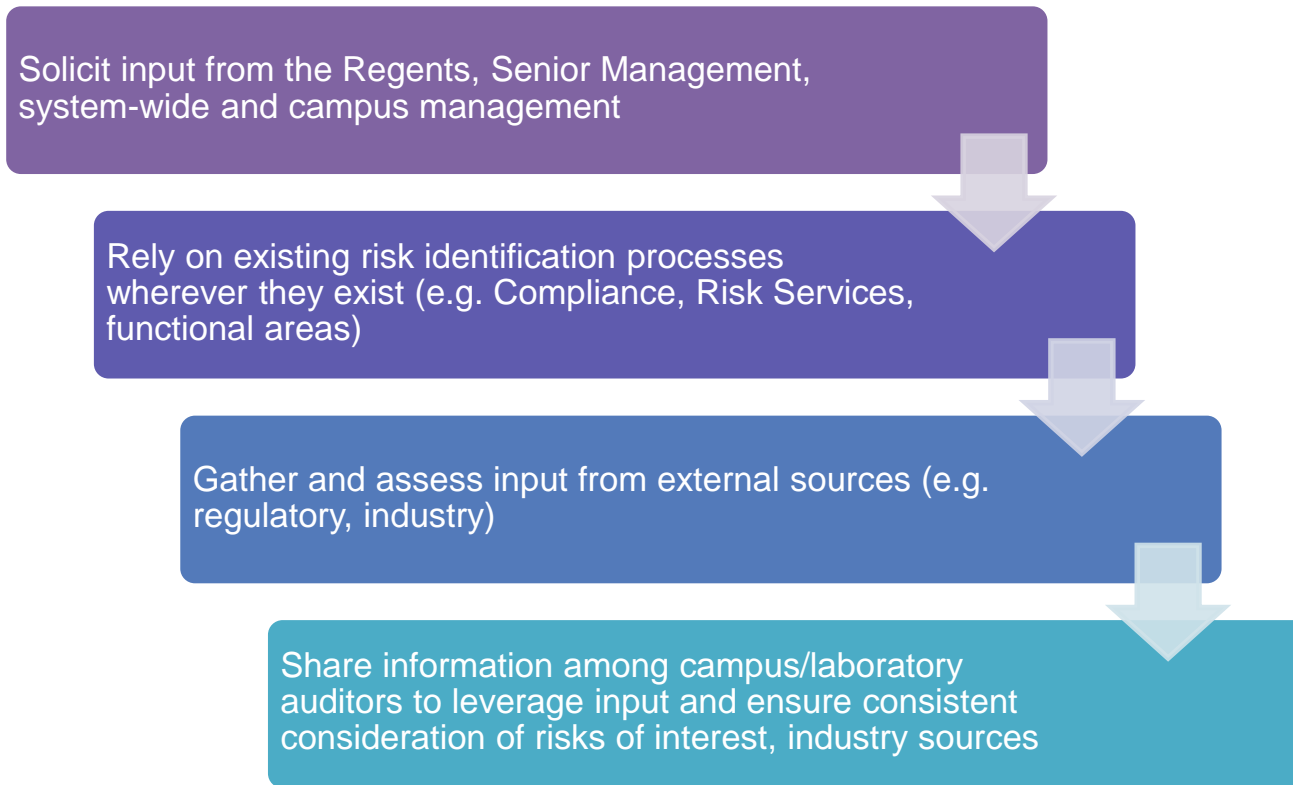
2018-19

Internal Audit Plan Objectives

- Improve the effectiveness of campus governance, risk management and control processes;
- Assist campus leadership in the discharge of their oversight, management, and operating responsibilities;
- Assist management in addressing the University's significant financial, operational and compliance risks and making informed risk acceptance decisions;
- Support and leverage campus efforts to identify, evaluate and mitigate risks;
- Support management's restructuring and budget coping strategies;
- Serve the needs of campus/laboratory leadership while addressing broader issues from a systemwide perspective;
- Support the evolution of the Systemwide Compliance Program; and
- Meet the challenge to enhance the value of the Internal Audit Program.



Internal Audit Plan Development Risk Assessment Process for 2018-19

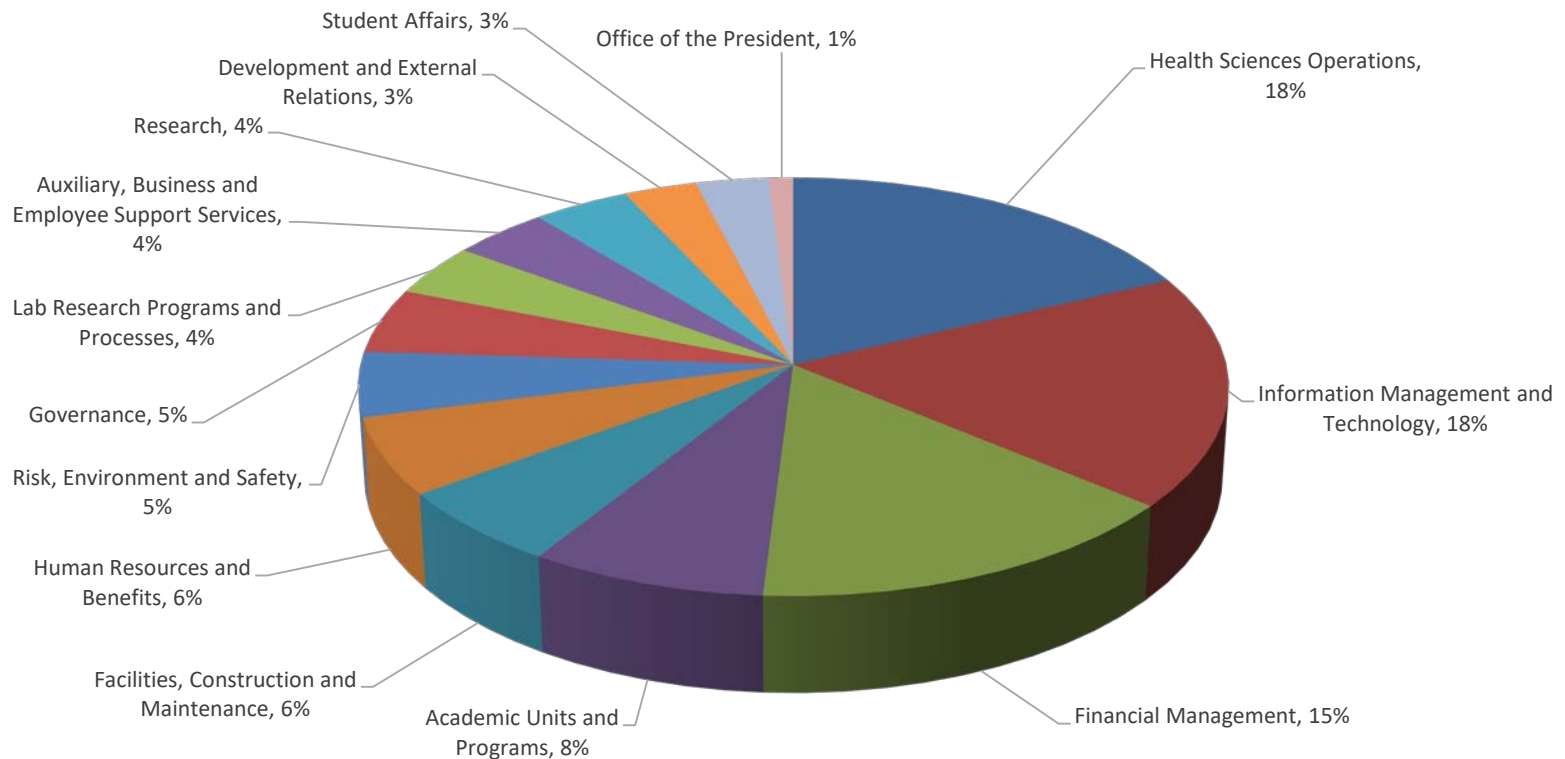


The result of the risk assessment is an informed perspective on the current risk environment – including a prioritization of risks that are scalable to available resources.



Planned Projects by Functional Area

This graphic illustrates the distribution of our FY2018-19 planned projects by functional area. Over half of the planned project hours are allocated to health sciences operations, information management and technology, and financial management.



Internal Audit Plan Themes

Our analysis of the planned FY2018-19 Draft Internal Audit Plan identified the following themes in the planned projects:

Area	Theme	Examples
Health Sciences Operations	Medical Billing and Receivables	<ul style="list-style-type: none"> Professional Fees (UCD) Hospital Billing (UCSF) Physician Receivables (UCSD)
	Admission, Registration and Scheduling	<ul style="list-style-type: none"> Scheduling (UCD) Financial Assistance (UCD) Patient Access Services (UCLA)
Information Management and Technology	System Implementations	<ul style="list-style-type: none"> Campus Financial System Post Implementation Internal Control Review (UCSB) Banner Implementation (UCR) EPIC Post Implementation (UCI)
	UCPath	<ul style="list-style-type: none"> UCPath Readiness Review (Multiple locations) ANR UCPath Future State Process (UCOP) UCPath Cybersecurity (UCOP)
	IT Security	<ul style="list-style-type: none"> Vulnerability Assessment and Penetration Testing (Cybersecurity Audit Team) Password Management (UCSB) APEX Access Security Levels (UCSF)
	Cloud Computing	<ul style="list-style-type: none"> Cloud Computing (UCB, UCI, UCLA) Office365 Cloud (UCSF)



Internal Audit Plan Themes

Area	Theme	Examples
Financial Management	Procurement/ Business Contracts	<ul style="list-style-type: none"> Fair Wage/Fair Work (Systemwide) Business Contracts - International (UCSB) Health System Procurement (UCSD)
	Financial Monitoring	<ul style="list-style-type: none"> Data Analytics (UCLA) Fraud Risk Program and Data Analytics (UCM) Continuous Auditing Corporate Card Transactions (UCI)
	Inventory Management	<ul style="list-style-type: none"> Equipment Inventory (UCR) Physical Inventory Observations (UCI) UC Police Equipment Inventory and Evidence Management (UCLA)
	Third Party Relationships	<ul style="list-style-type: none"> Incubators for Start-up Organizations (UCB) Affiliates Management (LBNL) UCSD/VA Faculty Joint Appointments (UCSD)
	Cashiering	<ul style="list-style-type: none"> Cashiering Compliance (UCSD) ASUCLA Main Cashier's Office (UCLA) Events and Transportation Cashiering (UCLA)
Facilities, Construction and Maintenance	Construction/ Capital Programs	<ul style="list-style-type: none"> Construction Cost Compliance (UCSF) Design and Construction Management (UCD) Capital Programs Contract Management (UCLA)
	Facilities/ Maintenance	<ul style="list-style-type: none"> Facilities Management Customer Relations (UCLA) Facilities (UCR) Facilities Maintenance (UCSF)



Internal Audit Plan Themes

Area	Theme	Examples
Human Resources and Benefits	Executive Compensation	<ul style="list-style-type: none"> Executive Compensation (Multiple locations) Medical Centers Clinical Enterprise Management Recognition Plan (UCOP) Office of the Treasurer Annual Incentive Plan (UCOP)
	Academic Personnel	<ul style="list-style-type: none"> Faculty Recruiting (UCM) Academic Misconduct (UCB) Academic Personnel Appointment & Promotion Process (UCSD)
Risk, Environment & Safety	Business Continuity/ Disaster Recovery	<ul style="list-style-type: none"> Business Continuity (UCOP, UCR, UCSC) Disaster Recovery/Business Continuity (UCSB) Campus Business Continuity System (UCD)
	Controlled Substances	<ul style="list-style-type: none"> Controlled Substances (UCOP, UCLA) Opioids - Drug Diversion and Controlled Substances (UCI)
Governance	Conflicts of Interest/Conflicts of Commitment	<ul style="list-style-type: none"> Outside Professional Activities (Systemwide) Conflict of Interest (UCD, UCM)
Auxiliary, Business & Employee Support Services	Auxiliary Services	<ul style="list-style-type: none"> Auxiliaries - Review of Financial Processes (UCM) ASUCLA Store Operations (UCLA) Mail, Document, and Distribution Services (UCLA)



Internal Audit Plan Themes

Area	Theme	Examples
Research	Contracts and Grants	<ul style="list-style-type: none"> • Cost Sharing (UCI) • Annual Monitoring of High Risk Research Projects (UCD) • Research Award Set-Up (UCSF)
Development and External Relations	Gift Administration	<ul style="list-style-type: none"> • Gift Processing (UCSF) • Gift Administration -Donor Intent (UCSB) • Research Gifts (UCB)
Student Affairs	Student Fees	<ul style="list-style-type: none"> • Referenda Fees (UCLA) • Tuition, Student fees, and Receivables (UCM) • Course Materials and Technology Fees (UCR)
	Mental Health	<ul style="list-style-type: none"> • Counseling and Psychological Services (UCLA, UCSC) • Counseling Services (student or employee) (UCSF)



Focus on Strategic Alignment

As part of the annual risk assessment and internal audit planning process, locations identified projects that aligned with systemwide and local strategic objectives and initiatives.



Focus on Strategic Alignment



Cybersecurity

Examples of Planned Audit and Advisory Activities:

- Vulnerability assessments and penetration testing to identify and validate configuration and/or technical flaws within systems and networks
- Evaluate controls over critical infrastructure IT systems
- Assess security of mobile devices
- Assess access controls in cloud environments
- Review user authentication and access controls
- Review password management
- Assess security of restricted information



Focus on Strategic Alignment



Financial Sustainability

Examples of Planned Audit and Advisory Activities:

- Evaluate financial stewardship and management through a series of business process reviews
- Review the process over faculty funds to ensure fiscal responsibility
- Assess the financial viability of campus departments as part of a review of operational and/or structural deficits
- Review and evaluate financial and administrative business practices of campus units
- Assess the campus recharge mechanisms and practices developed to provide appropriate funds allocations



Focus on Strategic Alignment



Research

Examples of Planned Audit and Advisory Activities:

- Assess and evaluate the processes over research gifts
- Review and provide advice on business process design within a research institute
- Assess efficiency and effectiveness of the Office of Research
- Evaluate ongoing efforts to monitor high risk research projects
- Evaluate the research award set-up process



Focus on Strategic Alignment



Operational Efficiency and Cost Reduction

Examples of Planned Audit and Advisory Activities:

- Review departments, units and processes to ensure departments and units are operating effectively and efficiently
- Identify opportunities for improvement to:
 - Streamline processes
 - Support business process design
 - Achieve greater consistency
 - Reduce redundancy
 - Eliminate unnecessary work
 - Improve the use of IT systems
 - Reduce costs
 - Improve financial performance



Focus on Strategic Alignment



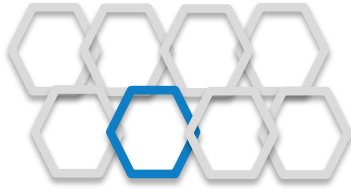
UCHealth Strategic Priorities

Examples of Planned Audit and Advisory Activities:

- Identify opportunities to maximize revenue and minimize costs helps promote financial strength
- Assess the internal control environment and unit effectiveness of health system procurement to ensure compliance with University policies and procedures
- Assess new telehealth methodologies to determine if they are compliant and in line with campus practices for care provision and billing
- Evaluate key administrative and financial controls in clinics to ensure compliant operational processes are present
- Review and assess the hospital and physician billing processes



Focus on Strategic Alignment



Diversity, Equity and Inclusion

Examples of Planned Audit and Advisory Activities:

- Evaluate the effectiveness of diversity and inclusion goals within the Office of Diversity, Inclusion and Equity
- Assess the faculty recruitment efforts and practices to ensure that all recruitment requirements are met
- Review the Title IX investigation and adjudication process to provide assurance that the University's diversity, equity and inclusion policies are appropriately applied and complied with
- Evaluate the campus ADA processes in place to identify and improve access and promote the culture of diversity and inclusion



Focus on Strategic Alignment



Innovation & Entrepreneurship

Examples of Planned Audit and Advisory Activities:

- Ensure the financial reporting within the Office of Innovation and Commercialization is accurate and timely
- Review the processes in place for incubators for start-up organizations
- Evaluate the new affiliations process to ensure expanding access objectives are met
- Review and evaluate controls within the affiliates management area



Focus on Strategic Alignment



Academic Excellence and Student Support

Examples of Planned Audit and Advisory Activities:

- As part of a campus initiative to increase academic excellence, review financial and administrative areas within the Graduate Division
- Support student success by providing assurances over practices to ensure the safety of students
- Assess whether the counseling services that are provided are adequately meeting student needs
- Assess the efforts that undergraduate education programs promote academic success
- Evaluate student affairs administration of programs critical to student success



List of Audit and Advisory Service Projects by Location

Systemwide-Focused Projects – Audits

Outside Professional Activities
Controlled Substances
Fair Wage Fair Work
Medical Centers Clinical Enterprise Management
Recognition Plan (CEMRP)
Office of the Treasurer Annual Incentive Plan (AIP)
Administrative Fees and Invoice Processing for the
Retirement Savings Program
Student Health Insurance Plan (SHIP) Financial Controls
Fiat Lux Financial Controls

Systemwide-Focused Projects – Advisory Services

Project Redwood Implementation Readiness
UCPath Operational Readiness Assessment – Pilot
Deployment*
State Audit Follow-up

Systemwide-Focused Projects - Cybersecurity

Cloud Audit Infrastructure*
Critical Infrastructure IT Systems – UCLA Health/Campus*
Vulnerability Assessment and Penetration Testing*
UCPath Cybersecurity*
Network Infrastructure Security*
UC Health Data Center Review*
Cybersecurity Audit Process Improvements*

Lawrence Berkeley National Laboratory – Audits

FY18 Cost Allowability
FY18 Home Office Costs
Continuous Controls Monitoring
OMB A-123 IT General Controls
Export Control Compliance
PII Management and Controls
Subcontract Closeout Process
Emergency Management
Business Services
DOE Contract Reform Transition
Affiliates Management
Business Process Reviews – Stewardship and Financial
Management

Lawrence Berkeley National Laboratory – Advisory Services

R&D Subcontract Administration
LDRD Management

*Assistance will be provided by the
Systemwide Cybersecurity Audit Team



UC Berkeley – Audits

UCPath Readiness
Fair Wage Fair Work
Research Gifts
Incubators for Start-up Organizations
Employees Working Abroad – Registration and Foreign Tax
Compliance
Cloud Computing*
Academic Misconduct
Change Management
Benefits – Administrative and Academic Employees

UC Davis - Audits

Quest Data Center
Campus Business Continuity System
Incidence Responses System*
Chancellor's Expenses (BFB G-45)
Student Housing
Annual Report on Executive Compensation
Conflict of Interest
Fair Wage Fair Work
Foreign Research
Human Resources
Outside Professional Activities
Review of Past Management Corrective Actions
UCPath
Contracting
Emergency Room
Financial Assistance
Mind Institute
Mobile Technology

Professional Fees
Provider Credentialing
Scheduling

UC Davis – Advisory Services

Design and Construction Management
Office of Research Follow-up
Risk and Safety Solutions*
Social Media
College of Agriculture Administrative Review
Diversity, Inclusion and Equity Administrative Review
Finance, Operations and Administration Administrative
Review
Library Administrative Review
Student Affairs Administrative Review
Undergraduate Education Administrative review
Annual Monitoring of High Risk Research Projects
Carryforward Analysis
Faculty Funds
How to Survive an Audit
IT Committees
Law Fellow Development
Department Prescription Pad Controls
Quincy Data Center*
UCD Health Committees
UCDH Information Technology Administrative Review

UC Irvine – Audits

UCPath Operational Readiness
Chancellor's Expenses
Annual Report on Executive Compensation
Biomedical Engineering – Medical Equipment Inventory and
Maintenance



UC Irvine – Audits (continued)

Cloud Computing
EPIC Post Implementation
Mobile Devices – Inventory of Data, Devices and Software
Opioids – Drug Diversion and Controlled Substances
Physicians Billing Group – Pro Fee Billing
Small Equipment Charged on Federal Awards
Sunshine Act/Open Payments Data
Outside Professional Activities
Pediatrics
Fair Wage Fair Work
Cost Sharing
Student Account Services
Gavin Herbert Eye Institute
Facility Use and Sales and Service Agreements
Social Media
School of Law

UC Irvine – Advisory Services

Major System Implementations Consultation
Information Security and Privacy Committee
CANRA Compliance
Data Analytics
External Audit Coordination
Continuous Auditing Corporate Card Transaction
Physical Inventory Observation
Student Information System Advisory Committee
State Audit Follow-up

UC Los Angeles – Audits

ASUCLA Store Operations
ASUCLA Health Sciences Store

ASUCLA Central Division
ASUCLA Accounts Payable
ASUCLA Main Cashier's Office
Facilities Management – Customer Relations
Facilities Management – Contracting and Project Management
Facilities Management – Tool Crib/equipment Assignment
Facilities Management – Materials and Equipment
Capital Programs – Contract Management
Capital Programs – Employee Training Practices and Documentation
Capital Programs – Fund Management
Capital Programs – Personnel/Payroll Review
Housing Information Technology
Housing OCH – Food Inventory
Housing Vending Services Procurement and Inventory
Luskin Conference Center
Vehicle and Vessel Management
Events and Transportation – Cashiering
UC Police Equipment Inventory and Evidence Management
Information Technology Services – Voice Tool Crib
Human Resources and Payroll Center – North
Central Ticket Office Recharges
Mail, Document and Distribution Services
Campus Service Enterprises Real Estate
Athletics – Academic Division
Anderson School of Management – Transition Review
Graduate Division
University Library
Division of Social Services
Cloud Computing
Referenda Fees
Counseling and Psychological Services (CAPs)



UC Los Angeles – Audits (continued)

Chancellor’s Office
Executive Compensation
External Affairs
New Financial System – Change Management
UCPath Readiness Review #3
Fair Wage Fair Work
Outside Professional Activities
Data Analytics
Patient Access Services
Tiverton House
Blood and Platelet Center
Hyperbaric Medicine Center
Nuclear Medicine
Bowyer Oncology
Rehabilitation Services
Hospital Volunteer Services
Psychiatry Partial Hospitalization Program
Bone Marrow Transplant Program
Pharmacy
Hospital Paid Time Off Accrual Transfers
UCLA Health Clinical Practice Operations
School of Medicine Department Audits
Controlled Substances

UC Merced – Audits

Emergency Planning and Disaster Recovery
Review of Controls in New Systems
Conflicts of Interest
Auxiliaries – Review of Financial Processes
Faculty Recruiting
Executive Compensation

Fair Wage Fair Work
Tuition, Student Fees, and Receivable

UC Merced – Advisory Services

Leadership Transition Review
Fraud Risk Program and Data Analytics
Succession Planning
Employee Support Services

UCOP – Audits

Electric Service Provider – Power Supply Validation
Student Affairs Business Continuity/Disaster Recovery
Use of Contractors
Employee Recruitment

UCOP – Advisory Services

ANR Financials – Part II
ANR UCPath Future State Advisory
Proposition 56 Funds – Internal Controls Review
UCOP Business Continuity

UC Riverside – Audits

Deferred Maintenance
Banner System Implementation
Facilities
Business Continuity
Annual Analytic Review and Fraud Detection
Course Materials and Technology Fees
Architects and Engineers
Outside Professional Activities
Control Unit Management Transition
Equipment Inventory
Fair Wage Fair Work



UC Riverside – Advisory Services

Workers Compensation
UCPath Post Implementation
Background Checks – Third Party Providers
Chemical Inventory
Training – Whistleblower and Fraud, Orientations

UC Santa Barbara – Audits

UCPath Progress Review
Design and Construction Cost Tracking and Reports
Earth Research Institute
Password Management
College of Engineering – Internal Control Review
International Business Contracts
Lab Safety and Hazardous Materials
Fair Wage Fair Work
Outside Professional Activities
Billing Accounts Receivable Collection Unit
Gift Administration – Donor Intent
Campus Financial System Post Implementation Internal
Controls Review
Travel

UC Santa Barbara – Advisory Services

Work Order Systems and Processes
Disaster Recovery and Business Continuity
Personal Protective Equipment
Information Security (placeholder)
Data Analytics Program
Outreach, Training and Presentations

UC Santa Cruz – Audits

Campus Use of Consultants
Succession Planning
Diving and Boating Safety Program
Fair Wage Fair Work
Outside Professional Activities
Counseling and Psychological Services
Business Continuity Planning
UCPath Readiness Assessment

UC Santa Cruz – Advisory Services

NCAA Report – Annual review
UNEX Annual Monitoring
Student Intern Program
BAS Support
Investigation Workgroup
ITSC Committee
Campus Committees/Workgroups
Limited Scope Consultations

UC San Diego – Audits

Cashiering Compliance
Recharge Centers
Deficit Balance Reporting (Self Supporting Activities)
Real Estate Development – Tririga Implementation
Express Card Program
Institute for Neural Computation/Center on Global Justice
Psychology Department
Fair Wage Fair Work
Clinical Research Billing Encounter – Linking Pilot
Physician Receivables
Ingenuous Med for Charge Capture at Non-UCSD Clinics
CARE Payment Supplement
Health System Procurement



UC San Diego – Audits (continued)

Quality Measures for Reimbursement and Incentives
Department of Ophthalmology
Department of Neurosciences
Center for Translational Imaging and Precision Medicine
Academic Personnel Appointment and Promotion Process

UC San Diego – Advisory Services

Annual Review of Executive Compensation (AREC)
Enterprise System Renewal Project
Identity and Access Management System
CANRA
Office of Innovation and Commercialization
UCPath Operational Readiness
Clinical Practice Organization Expenditure Controls
Center for Integrative Medicine
UCSD/Veterans Administration Faculty Joint Appointment

UC San Francisco – Audits

Construction Cost Compliance
Department Managed AWS*
Research Award Set-up
Clinical Data Request Process Validation
International Activities – IT and Privacy Security*
Deferred Maintenance
School of Medicine Department Review
Temporary Employee Contracting
Gift Processing
Task Order Contracting Model
Cash Payments to Research Subjects
Clinical Research Billing

Office 365 Cloud
ADA Assessment
Fair Wage Fair Work
Outside Professional Activities
Title IX Investigation and Adjudication Process Validation
APEX Access Security Levels*
Hospital Billing
Physician Billing
Financial System Integration Integrity
Telehealth
Revenue Cycle Authorizations
APEX – Charge Router
Facilities Maintenance

UC San Francisco – Advisory Services

Revenue Cycle – Value Improvement Initiative
Legacy System Planning
Finance and Compliance Dashboard
UCPath Operational Readiness
Website Management
New Affiliations
Counseling Services (Student or Employee)
Disaster Recovery/Business Continuity
Social Media
UCSF health Financial Integration
External Audit Coordination
Export Control Assessment
Investigations Support
Various Workgroups and Committees

