



UNIVERSITY  
OF  
CALIFORNIA

Attachment 1



# Draft Internal Audit Plan

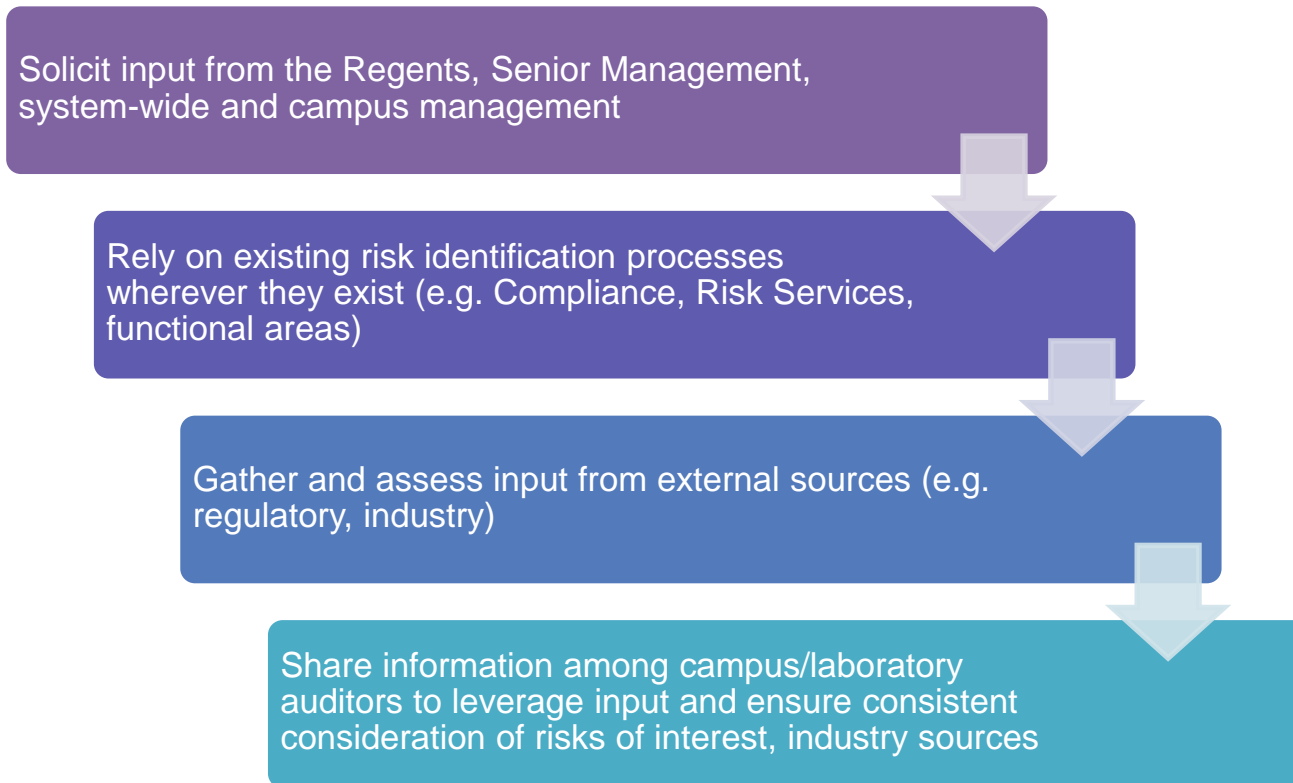
2018-19

# 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

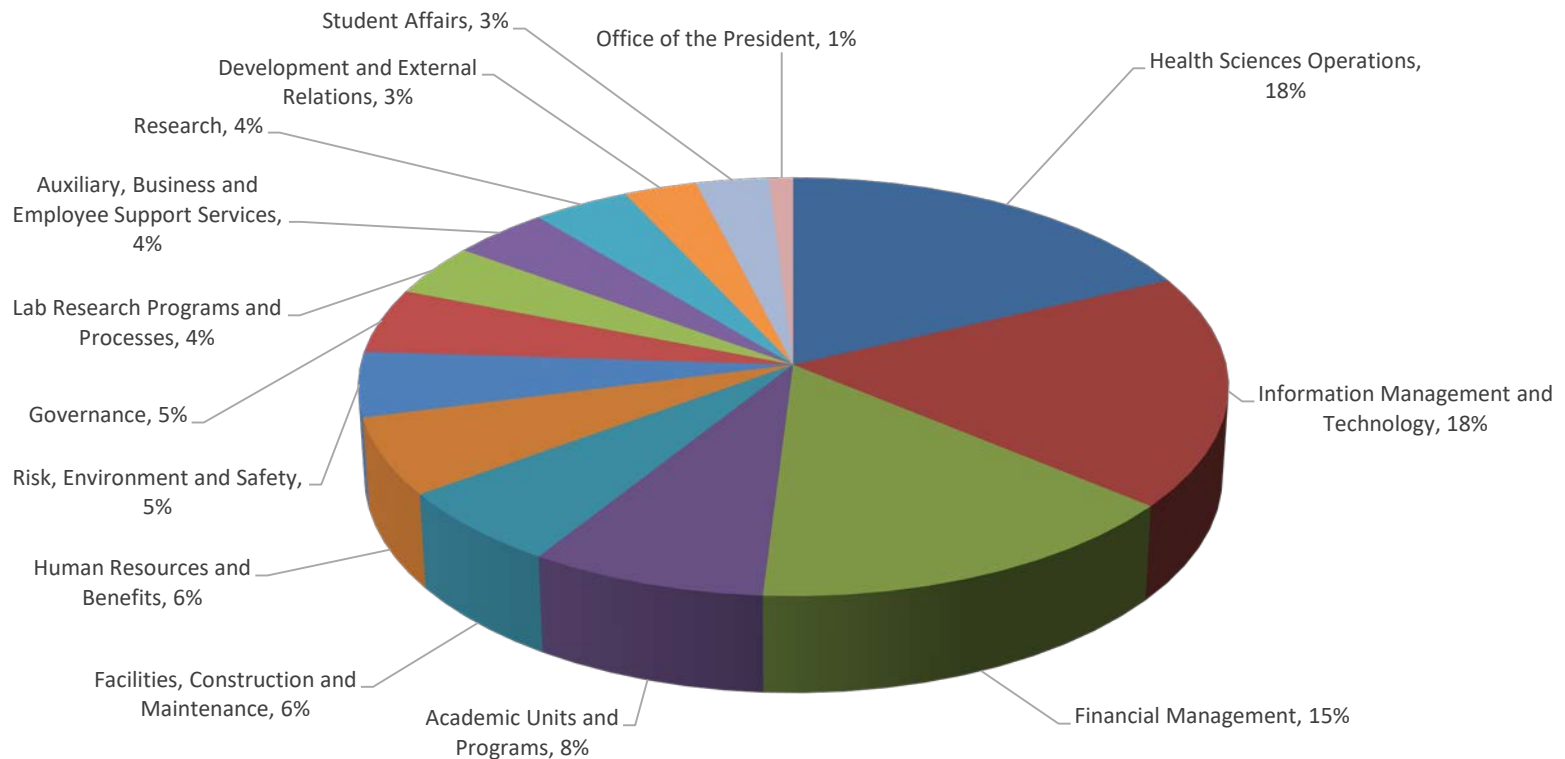


The result of the risk assessment is an informed perspective on the current risk environment – including a prioritization of risks that are scalable to available resources.



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



# Internal Audit Plan Themes

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



# Internal Audit Plan Themes

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



# Internal Audit Plan Themes

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





# 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



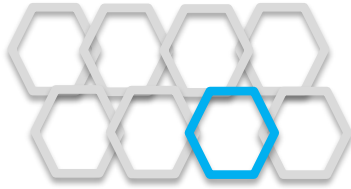
## **Diversity, Equity and Inclusion**

### 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

