

The University of Oklahoma
Internal Audit

Here to Help

March 17, 2023

Objectives

here to help

- Who we are
- What we do
- How we can help

Who we are

Internal Audit reports functionally to the University of Oklahoma Board of Regents and administratively to the President of the University of Oklahoma. The department assists all levels of administration in the achievement of university goals and objectives by striving to provide a positive impact on the efficiency and effectiveness of administrative functions.

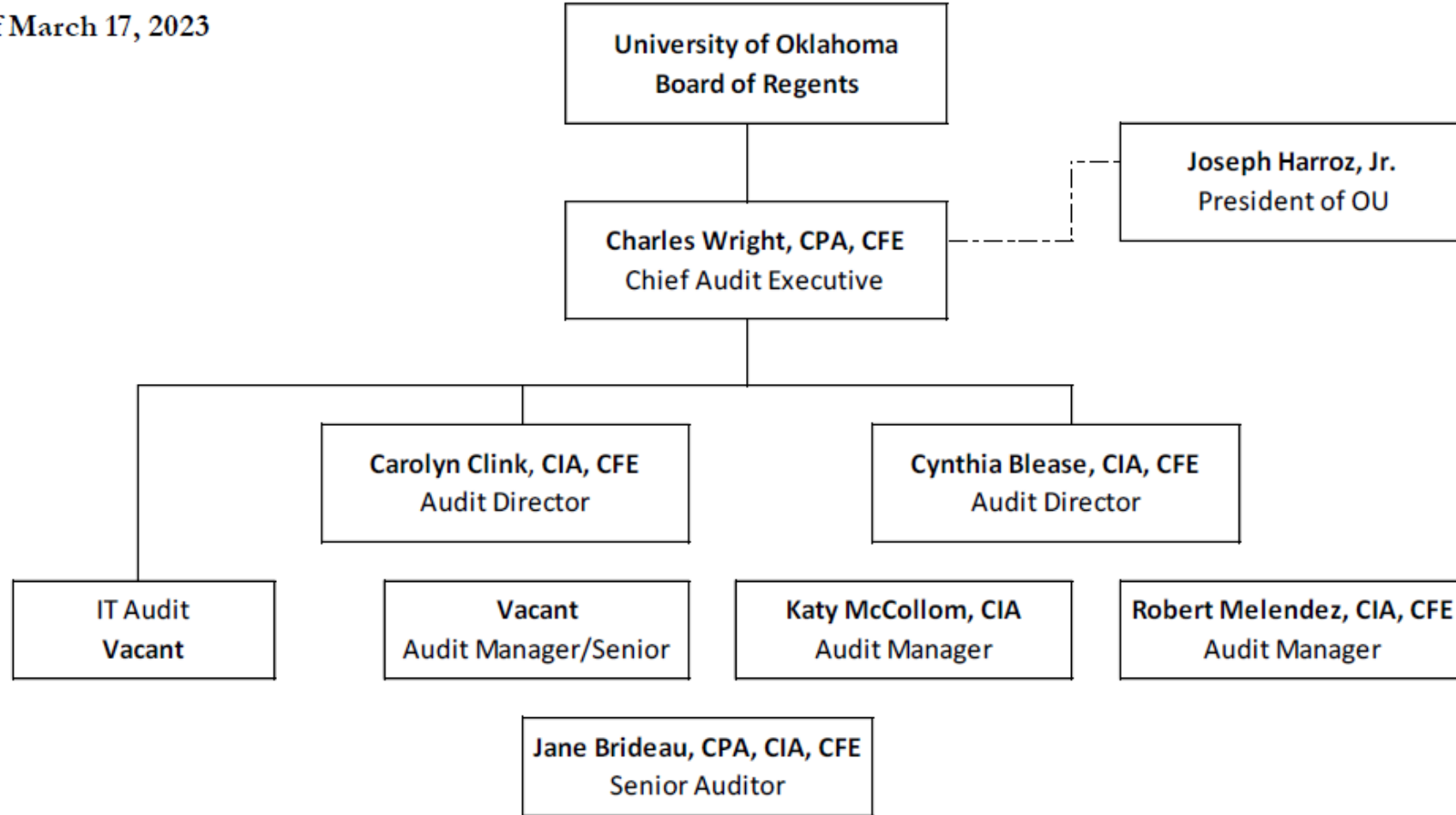
Where we are

- OU Norman Campus
- OU Health Sciences Center - OKC Campus
- OU Schusterman Center - Tulsa Campus
- Cameron University (Lawton, OK)
- Rogers State University (Claremore, OK)
- All locations - centers, institutes, stations, camps, abroad, projects, etc.



Internal Audit

As of March 17, 2023



who we are



Chief Audit Executive

who he is



Charles Wright, CPA, CFE

405-325-3411

1816 W. Lindsey Street
Norman, OK 73069

Joined OU Internal Audit December 2018

Audit Charter

what we do



OU Regents' Policy Manual - Section 3.5.2

- Defines the purpose and responsibilities of Internal Audit
- Gives Internal Audit authority to conduct audits
- Provides authorization from the Board and the President for the Chief Audit Executive and Internal Audit staff to have full, free, and unrestricted access to all the universities' functions, records, property, and personnel

Audit Charter

what we do

Mission

Assist management and staff in the effective discharge of its responsibilities by providing them and the Board with independent and objective analysis, appraisals, recommendations, and pertinent comments with reference to:

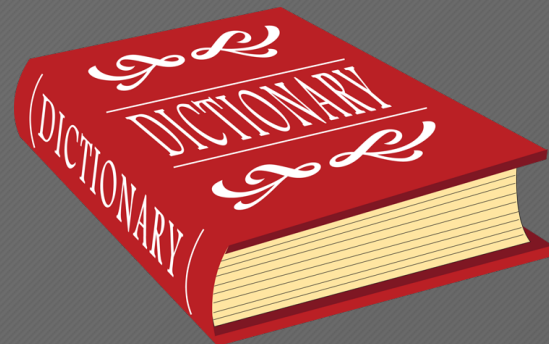
- the adequacy and effectiveness of the internal control structure,
- the safeguarding of assets,
- compliance with applicable laws, regulations and university policies, and
- the achievement of management's objectives.



Definition of Internal Auditing

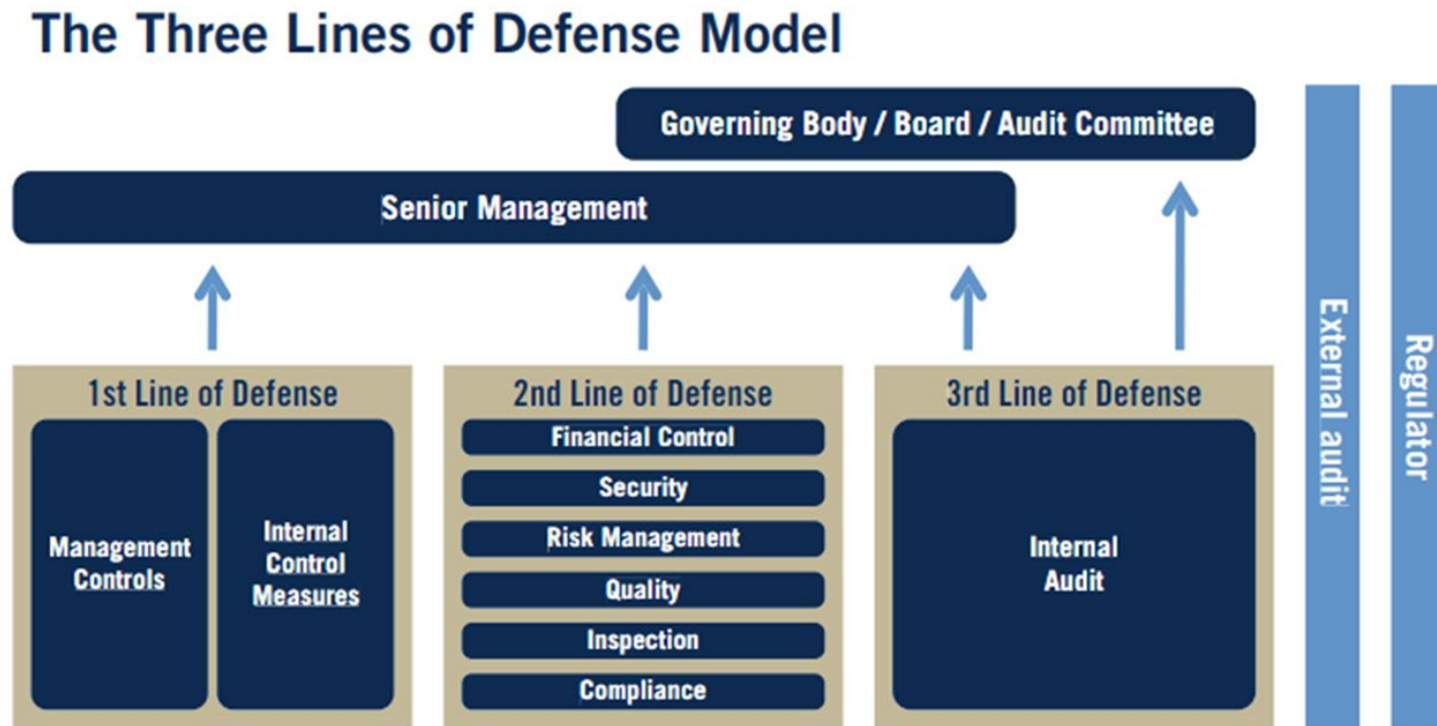
what we do

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.



Three Lines of Defense Model

what we do



Adapted from ECIIA/FERMA Guidance on the 8th EU Company Law Directive, article 41, by the Institute of Internal Auditors for IIA Position Paper: The Three Lines of Defense in Effective Risk Management and Control.

Annual Risk Analysis

what we do

Risk is an uncertain event or set of circumstances which will affect the achievement of objectives if they occur.

Risk Factors	Risk Description
Strategic Risk	The possibility of an event or condition occurring that will enhance or threaten an organization's prosperity and existence in the long term.
Operational Risk	The possibility of an event or condition occurring that will influence the ability of an organization to achieve its objectives through the transformation of inputs to outputs. The impact of the activity on operations may be related to the frequency or volume of transactions, the activities budget, or the revenue potential.
Compliance Risk (Regulatory/Legal Liability)	The possibility of an event or condition occurring that influences an organization's ability to achieve organizational objectives while conforming to value-added internal policies, guidelines, and commitments; or external requirements of governing bodies.
Reputational Risk	The possibility of an event or condition occurring that enhances or damages public trust in the Institution or the image held by students, parents, family, alumni, employees, and/or stakeholders.
Fraud, Waste, or Abuse	The chance of a perpetrator(s) committing fraud, waste, or abuse of assets, personnel, or data which has an impact on the organization.
Control Environment Quality	The potential for changes in management, systems, segregation of duties, personnel, or processes to impact the effectiveness of the Institutions internal controls.
Timeliness	Time passed since last audit activity (Audit, Post-Audit Review, and/or Special Review)

Audit Selection - Risk Based

what we do

- Risk Based Audits
- Audit Universe per Campus
 - Units (e.g., College, Department, Service Unit)
 - Campus-wide (e.g., Account Reconciliations, Taxes)
 - Processes (e.g., Cash Receipting Process)
 - Programs (e.g., Study Abroad, Summer Camps)
 - Systems (e.g., PeopleSoft)



Audit Types

what we do

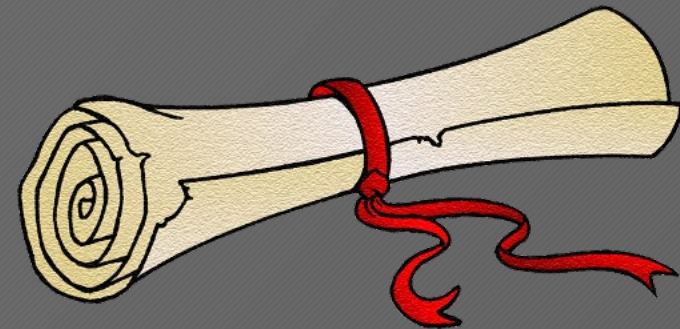
- Operational
- Internal Control Review
- Compliance
- Information Technology
- Financial
- Consulting
- Investigations



Audit Selection - Annual Audit Plan

what we do

- Meet with Senior Management
- Develop the Annual Audit Plan
- Audit Plan approved by Board of Regents annually
- Remains agile for emerging risks



Planning

- Entrance notification/meeting
- Obtain understanding of audit area through research and client interaction
- Research applicable standards and common practice
- Assess & quantify risks
- Create risk-based audit plan

Fieldwork

- Obtain necessary data and documentation to engage review
- Document and test existing controls

Reporting

- Develop observations and recommendations
- Validate observations with client
- Collaboratively develop remediation plans
- Issue report

Audit Observation Monitoring

- Monitor and validate remediation plans
- Report to leadership and Board Committees status of outstanding observations

what we do

Control Self-Assessment

what YOU
can do

Periodically assess the internal control environment of your area of responsibility.

www.ou.edu/audit > Audit Resources > Self-Assessment



Control Self-Assessment

what **YOU**
can do

- Disbursements
- Pcard
- Cash Handling
- Accounts Receivable
- Reconciliations
- Payroll
- Inventory
- Records Retention



What is Fraud?

Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it.



Fraud Prevention, Reporting, and Whistleblower Protection Policy:

The University prohibits fraudulent and dishonest behavior in the conduct of University business. It is the policy of the University to prevent, deter, and detect dishonest and fraudulent activities and consistently investigate suspected fraud.

OU Staff Handbook: Section 5.34



Fraud Prevention, Reporting, and Whistleblower Protection Policy:

Policy summary, see policy for further detail:

- Fraud defined
- Examples of fraudulent activities
- Direction for reporting fraud
- Policy against retaliation
- Chief Audit Executive investigation responsibilities

Report Fraud



how we can
help

- All University employees have a duty to report instances of suspected fraud.
- If you become aware of issues of potential fraud or related misconduct, please report it.
- Call: (405) 325-3411 to speak directly with the Chief Audit Executive or report through the Report It! Hotline

Report It! Hotline



REPORT FRAUD

The Board of Regents have selected EthicsPoint, an independent third-party, to provide a simple, secure, and anonymous way to report incidents or concerns that may be in violation of University policy.

Call 844-428-6531
or Report Online:

- **OU Board of Regents:** <https://ouregents.ethicspoint.com>
- **OU Norman Campus:** <https://www.ou.ethicspoint.com>
- **OU Health Sciences Center:** <https://ouhsc.ethicspoint.com>
- **OU-Tulsa:** <https://outulsa.ethicspoint.com>
- **Rogers State University:** <https://rsu.ethicspoint.com>
- **Cameron University:** <https://cameron.ethicspoint.com>

Types of Concerns to Report: See It, Report It!

- Equal opportunity, Title IX, discrimination or harassment
- Campus climate and bias
- Financial matters involving suspected fraud or misuse of University resources
- Conflicts of interest
- Public or environmental health and safety
- Research or scientific misconduct
- Human resource issues
- Student conduct
- Other

OU Report It!



How we can help

- Policy awareness
- Best practice guidance
- Improved internal controls
- Internal Audit website resources
- Investigate reported concerns
- Provide contacts





www.ou.edu/audit

