Board of Regents
Audit Committee
September 9, 2004

Longitudinal Analysis of Internal Audit Results

University of Minnesota
Key Questions

- What trends are occurring in the University’s internal controls?
- Are appropriate corrective actions being taken when control issues are identified?
- Can a “point in time” institution-wide control assessment be derived?
Methodology And Scope

Analysis between

- Original and Current Evaluation
- Composite
- Organizational Divisions
- COSO Components
- Activity/Business Processes
- High Risk Units
Objectives

- Trends in the institution’s internal control.
- Evidence of control issues of a systemic nature.
- Trends in control effectiveness by organizational component.
- Trends in control effectiveness by business process.
- Trends in control effectiveness within high risk organizational units/processes.
- Trends in the COSO components of: control environment, risk assessment, information and communication, and monitoring.
Original and Current Evaluation

Original Evaluation

Current Status

University of Minnesota
Composite

Institution-Wide

(Based on FY 02, 03 & 04 Audit Results)
Organizational Divisions

Current Status

Central Units

University Services

AHC

Twin Cities Academics

Co-ordinate campuses

University of Minnesota
Organizational Divisions

University of Minnesota
COSO Components

Control Environment

University of Minnesota
Activity/Business Process

Cash Receipts

FY 03

University of Minnesota
High Risk Units

University of Minnesota
Conclusions

- Noticeable improvement in controls over last 3 years
- Identified issues are being promptly addressed
- High risk units generally are well controlled.
- Central business units generally have strong business controls.
- Central system implementations are well managed and have produced quality systems
Conclusions

- Technology enablers have helped improve controls of decentralized activities
- Decentralized manual processes have greater vulnerability
- Research continues to warrant attention
University of Minnesota
Original and Current Evaluation

Information Systems

Original Evaluation

Current Status

University of Minnesota