Internal Audit Division
FY 19 - Audit Plan Overview

Vision

To be a trusted and essential advisor for Emory's Board of Trustees and executive leadership, and provide valuable business insights that help protect and enhance Emory's reputation.

Mission

The Internal Audit Division delivers world-class assurance and advisory services by:

- Aligning and prioritizing our work efforts to focus on the enterprise's strategic goals and risk management objectives.

- Attracting, retaining, and leveraging a talented team by cultivating a culture that empowers employees to be innovative and guides them towards success.

- Building mutually respectful and trusted relationships with colleagues across our schools, business units and healthcare facilities.

- Serving as thought leaders and catalysts for continuous improvement by sharing best practices and standards across the enterprise.

Our Value Proposition

Internal Audit delivers value-added services that are catalysts for positive institutional change in governance, risk remediation, and the design of process controls. By improving the intuition's capabilities to anticipate and respond to current and emerging risks and challenges, we support management's journey toward achieving Emory's strategic plan and objectives

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Guiding Principles

*"We deliver **best-in-class** Internal Audit services to the institution, using **a dynamic risk assessment process.** We support the advancement of corporate governance and enterprise risk management by providing **assurance and advisory services that focus** on **value preservation and value creation**."*

	Dynamic process to prioritize and address current and emerging risks during the year
Risk Assessment	• Focus on risks that matter (Enterprise Risk Management (ERM) including strategic and reputational risks) • Collaborate with compliance, legal and risk to provide assurance coverage. • Adjust plan during the year as necessary
Risk Focus	Deliver holistic business assurance across enterprise risks • Emphasis on Board and senior leadership needs • Focus on high level monitoring controls ("2nd line of defense") - See Appendix B for a description of the lines of defense
Perspective	Provide future oriented services (value creation), in addition to traditional value preservation focus (see description of services in Appendix A) • Provide "forward looking" value-added expertise to mitigate risks (e.g., during implementations, education/awareness, data analytics) • Evaluate risk from an institutional perspective
Testing Strategy	Analyze complete populations of data • Strengthen data analytics platform (continuous auditing/monitoring)
Staffing Strategy	Recruit and retain a diverse team (skills, experiences, education) to support assurance and advisory services on broad institutional risks (see listing of staff at Appendix C) • Safeguard and allocate resources for higher risk work: ○ Limit (cap) staff hours on lower risk investigations • Continue to offer professional development opportunities to Emory business officers

Highlights of IA's Assurance and Advisory Services
A Look Back (FY 18) and a Look Ahead (FY 19)

Emory's Internal Audit Division (IA) strives to dynamically align our efforts with the strategic direction of the Emory enterprise, so that we may serve at the forefront of the most relevant risks. As part of our service, we continuously seek opportunities to extend our traditional assurance provider role into a proactive trusted advisor role.

Outlined below are highlights of IA's work performed in FY 18, with a look ahead towards proposed areas of coverage in FY 19.

ERM Risk Domain	FY 18: Highlights of IA's Coverage	FY 19: Key Areas of IA's Proposed Coverage
Academic and Student Affairs	• Underage Children ("Minors") on Campus • Student Scholarships • Student Safety • Student Data	• Sexual Misconduct Framework • Admission Offices (ECAS & Oxford)
Campus Safety and Physical Plant	• Security/Access Audit - Follow Up and Advisory • Construction Audit (EUH Tower Parking Deck)	• Campus Safety Advisory • Construction Audit Advisory (HSRB II)
Finance and Investment	• Post-Acquisitions Analysis Process • Foundational Fiscal Policies Audit — Follow Up and Advisory • Data Analytics (Disbursements) • Financial Attestation Process • Alleged Financial Fraud Investigations	• Journal Entries • Expense Reimbursement — President's Leadership Team • Conflict of Interest Disclosures— President's Leadership Team • Data Analytics (Disbursements) • Financial Attestation Process • Alleged Financial Fraud Investigations
Governance and Corporate Affairs	Conflict of Interest Policies ERM Steering Committee IT Steering Committee Executive Compliance Coordinating Committee	

Note: Select projects may span multiple ERM risk domains; in such cases, these are categorized under the primary ERM risk domain that they support.

Highlights of IA's Assurance and Advisory Services
A Look Back (FY 18) and a Look Ahead (FY 19)

ERM Risk Domain	FY 18: Highlights of IA's Coverage	FY 19: Key Areas of IA's Proposed Coverage

Healthcare	• Balanced Scorecard—Data Integrity
	• Revenue Cycle
	  ⇒ Managed Care Recoupments
	  ⇒ Durable Medical Equipment Billing and Collection
	• Emory University Hospital Midtown (EUHM) Pharmacy Procurement
	• Construction Audit (EUH Tower)
	• Emory Saint Joseph's Hospital Consignment Inventory
		• Revenue Cycle
		  ⇒ Emory Decatur Hospital
		  ⇒ Artiva System Post-Implementation Review
		• Drug Diversion Monitoring
		• Construction Audit (EUHM Winship Cancer Tower)
		• EUHM Pharmacy Procurement
		• Emergency Response Audit Follow Up
		• Meaningful Use Stage 3

Library and Information Technology	• EHC IT Audit Follow Up
	• Cybersecurity
	  ⇒ Vulnerability Scanning and System Patching
	  ⇒ Encryption
	  ⇒ HIPAA Risk Assessment
	  ⇒ Identify and Access Management
	• BCP and IT Disaster Recovery Advisory
	• Cloud Technology Advisory
		• EHC IT Audit Follow Up
		• IT Project Governance
		• Vender Management
		• SOM IT General Controls
		• Identify/Account Management
		• Access/Authorization Management
		• Advisory Support
		  ⇒ BCP and IT Disaster Recovery
		  ⇒ Cloud Technology
		  ⇒ Sponsored Accounts
		  ⇒ IT Steering Committee, IT Planning Committee, and Technical Infrastructure & Policy Sub-Committee

Research	• Award Set-Up Process • Award Close Out Process	• Award Close Out Process • Advisory/Follow Up on McKinsey Review
Human Resources	*	• Employee Termination Process

*Select projects address HR risks as secondary objectives (examples: Minors on Campus, Fraud Investigations).

Continuous Risk Assessment and Monitoring

Our team keeps informed on emerging risks through ongoing discussions with leadership, and engagement in a variety of enterprise-wide forums, including:

- Financial Attestation Process (FAP) Steering Committee
- Anti-Fraud Steering Committee
- Enterprise Risk Management (ERM) Steering Committee
- Executive Compliance Committee
- Data Advisory Committee (DAC)
- Information Technology (IT) Steering Committee
- Business Continuity Planning (BCP) & Disaster Recovery (DR)
- EHC Finance Administrative Team, 340B Drug Pricing Program Governance, EHC Compliance Council, Clinical Claims and Review Council, Shared Savings Agreement and Population Management, Value Acceleration Process… *and several more*

New projects are added to the audit plan throughout the year based on these on-going risk assessment processes and discussions.

FY18 Accomplishments

In FY18, we provided enterprise-wide value through ongoing risk assessment dialogues with management, excellent service, and thought leadership. In each project, we considered the institution's perspective, and promoted consideration of opportunities to adopt consistent best practices system-wide. Several initiatives result in the elevation of risks into Emory's ERM program for formal monitoring and reporting. Below is a summary of select areas where we partnered with management to enhance Emory's risk management capabilities:

- Key Fiscal Policies (Conflict of Interest, Delegation of Financial Authority, Account Reconciliations)
- Business continuity planning and IT disaster recovery planning
- Cyber security practices (including encryption, patch management, and vulnerability management)
- Emergency response practices (active shooter and bomb threat scenarios)
- Minors (children) on campus - safety and security
- EHC construction governance structure
- EUH Tower construction
- EHC billing and collection practices
- EHC balanced scorecard—data acquisition, blending and reporting practices
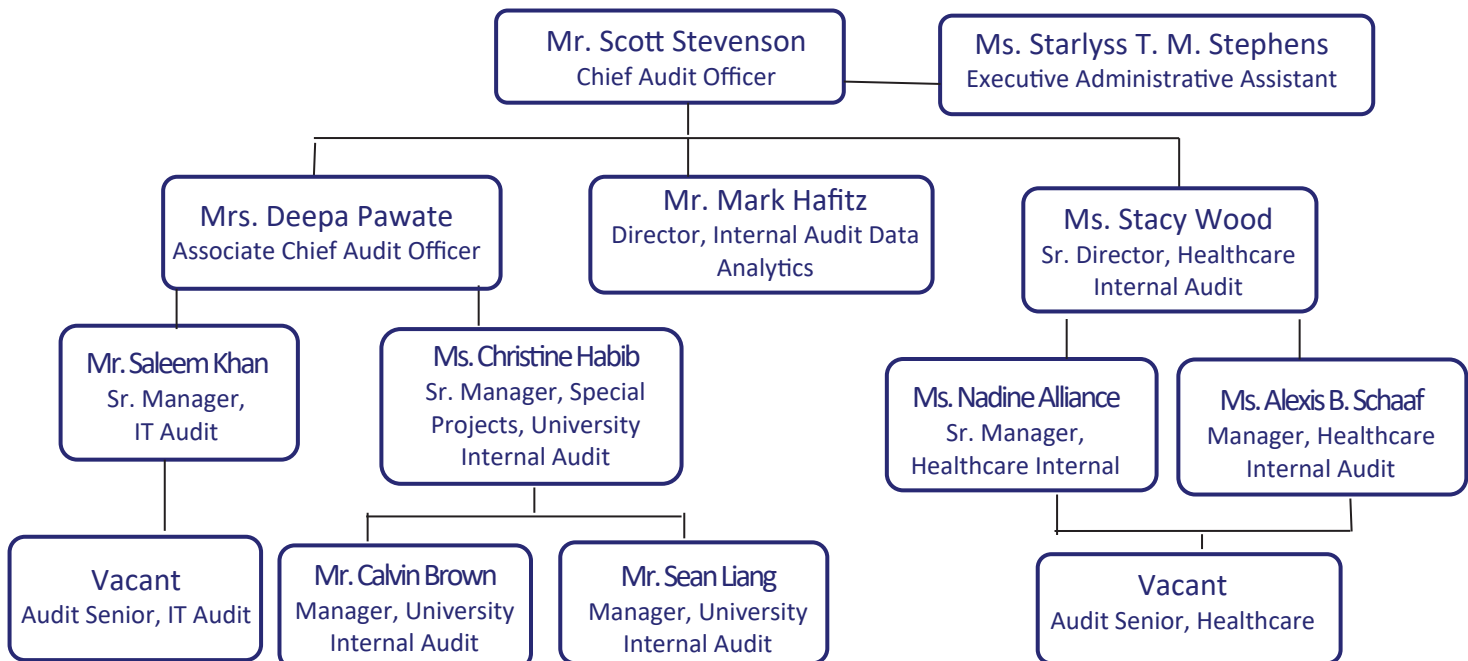
Our People

Excellent analytical and communication skills, along with a deep knowledge of our institution's research, teaching, and patient care functions, are capabilities embedded within our **team of 11 audit professionals**.

What brings us together in Internal Audit is an unwavering focus and shared appreciation for the importance of what we provide to the Emory enterprise and its various schools, units/facilities, and programs. We recruit and welcome professionals with diverse personal and professional backgrounds. All team members perform with passion for excellence, integrity, and a desire to work collaboratively with management to enhance Emory's governance and risk mitigation capabilities.

100% have at least one professional certification

90% have a master degree

100% participate in industry and professional organizations

Many are engaged in broader Emory, Atlanta, and professional communities

Collectively, the team brings 110 years of Emory-specific experience

Organizational Chart

Mr. Scott Stevenson
Chief Audit Officer

Ms. Starlyss T. M. Stephens
Executive Administrative Assistant

Mrs. Deepa Pawate
Associate Chief Audit Officer

Mr. Mark Hafitz
Director, Internal Audit Data Analytics

Ms. Stacy Wood
Sr. Director, Healthcare Internal Audit

Mr. Saleem Khan
Sr. Manager, IT Audit

Ms. Christine Habib
Sr. Manager, Special Projects, University Internal Audit

Ms. Nadine Alliance
Sr. Manager, Healthcare Internal

Ms. Alexis B. Schaaf
Manager, Healthcare Internal Audit

Vacant
Audit Senior, IT Audit

Mr. Calvin Brown
Manager, University Internal Audit

Mr. Sean Liang
Manager, University Internal Audit

Vacant
Audit Senior, Healthcare

Appendix A: Menu of Value Added Services

RISK

Risk = Likelihood x Impact

HIGH

**ADVISORY —
STRENGTHEN**

Provide consulting, fact finding and monitoring relative to risk mitigation and process development efforts.

**ASSURANCE —
AUDIT**

Perform a review to confirm controls and processes are well defined and working effectively.

**DATA ANALYTICS —
MONITOR**

Support Management in monitoring trends to determine if the risk profile changes and action is required to enhance controls.

**ADVISORY —
SELF ASSESS**

Provide tools to management to self—assess the strength of controls, as required.

MODERATE

DEFINED

LESS

MORE

Design of Internal Controls/Processes

Appendix B: Responding to Risk - Internal Audit's Role in the Three Lines of Defense

1st LINE OF DEFENSE – Business Operations	2nd LINE OF DEFENSE – Oversight Functions	3rd LINE OF DEFENSE – Independent & Objective Assurance
School/Unit/Program Operational & Functional Management *Responsible for __operating business processes and practices (control)__ to manage risk:* • *Vision and Strategy* • *Ethical culture & tone at the top* • *Risk identification and mitigation* • *Process and internal control design, implementation and effectiveness* • *Compliance with laws, regulations and policies*	**Business Administration Offices** *Responsible for __defining policy and for monitoring the effectiveness of business operation controls__ to mitigate risk. Such functions include (but not limited to) Dean's Office /Chief Business Officer, Human Resources, Finance, Research Administration, IT, Campus Service, etc.* **Risk Management** *Responsible for establishing and maintaining an Enterprise Risk Management (ERM) framework to assist with __risk prioritization and reporting__*	**Internal Audit** *Responsible for providing __objective and independent assurance (to the Board) on the effectiveness at first and second line processes and controls__ to mitigate risk.* *__Services include:__* • *__Assurance__* • *__Advisory/Consultative__* • *__Governance Support__* • *__Data Analytics/Business Intelligence__* • *__Investigations__*

Appendix C - Internal Audit Staff

Name	Title	Education	Professional Certification (s)
Scott Stevenson	Chief Audit Officer	MBA, Averett University BS, Accounting, Wake Forest University	CPA, CIA
Deepa Pawate	Associate Chief Audit Officer	MBA, Emory University BA, Computer Science, Emory University	CISA
Stacy Wood	Senior Director of Healthcare Internal Audit	MBA, University of North Carolina at Charlotte BS, Business Administration, James Madison University	CIA, CRMA
Mark Hafitz	Director , Internal Audit Data Analytics	MS, Business Information Systems, Georgia State University BS, English Literature, Emory University	CIA
Christine Habib	Senior Manager, University Internal Audit	MBA, Charleston Southern University BS, Accounting & Management Science, University of South Carolina	CFE
Saleem Khan	Senior Manager, IT Audit	MBA, Georgia Institute of Technology BS, Computer Engineering, Louisiana State University and Agricultural and Mechanical College	CISA
Nadine Alliance	Senior Manager, Healthcare Internal Audit	MBA, University of Phoenix BS, Legal Studies, St. John's University	CHC, CFE
Alexis Schaaf	Manager, Healthcare Internal Audit	MPA, Accounting, Georgia State University BS, Accounting, University of Georgia	CPA
Sean Liang	Manager, University Internal Audit	MBA, Georgia Institute of Technology BS, Management, Georgia Institute of Technology	CPA
Calvin Brown	Manager, University Internal Audit	BA, Finance, Georgia State University	CISA, CISSP, CFE
Starlyss McSlade	Executive Administrative Assistant	BA, Commercial Design, Fort Valley State University	-