

Result Ranking Methodology

Ranking	IMPACT  CRITERIA	
High	<p><b><u>Risk has a high impact and is highly likely to occur</u></b></p> <p><i>This is a high priority issue, immediate management attention is required. This is a serious internal control or risk management issue that if not mitigated, may, with a high degree of certainty, lead to:</i></p> <ul style="list-style-type: none"> <li>• Substantial losses, possibly in conjunction with other weaknesses in the control framework or the organizational entity or process being audited.</li> <li>• Serious violation of corporate strategies, policies, or values.</li> <li>• Serious reputation damage, such as negative publicity in national or international media.</li> <li>• Significant adverse regulatory impact, such as loss of operating licenses or material fines.</li> </ul> <p>Policy does not exist for significant University processes Preventive, detective and mitigating controls do not exist University reputation or financial status is at risk University is not in compliance with laws and regulations Significant total \$ amount of transactions; reasonably probable; known risk of inappropriate activity Fraud or theft is detected for a significant amount of University resources</p>	<p><b>Recommended Resolution Level</b> Vice President   Dean   Department Head</p>
Moderate	<p><b><u>Risk has a high impact and low likelihood, or low impact and high likelihood</u></b></p> <p><i>This is a medium-priority issue, timely management attention is warranted. This is an internal control or risk management issue that could lead to:</i></p> <ul style="list-style-type: none"> <li>• Financial losses (stipulate levels).</li> <li>• Loss of controls within the organizational entity or process being audited.</li> <li>• Reputation damage, such as negative publicity in local or regional media.</li> <li>• Adverse regulatory impact, such as public sanctions or immaterial fines.</li> </ul> <p>Policy exists but adherence is inconsistent Preventive and detective controls do not exist, but mitigating controls exist University's compliance with laws &amp; regulations requires additional evaluation &amp; review Significant total \$ amount of transactions &amp; reasonably possible risk of inappropriate activity Fraud or theft is suspected for a minimal amount of University resources</p>	<p><b>Recommended Resolution Level</b> Vice President   Dean   Department Head</p>
Low	<p><b><u>Risk has a low impact and low likelihood</u></b></p> <p><i>This is a low priority issue, routine management attention is warranted. This is an internal control or risk management issue, the solution to which may lead to improvement in the quality and/or efficiency of the organizational entity or process being audited. Risks are limited.</i></p> <p>Policy exists but was not adhered to on exception basis Preventive controls do not exist, but detective and mitigating controls exist Significant total \$ amount of transactions and remote possibility of inappropriate activity</p>	<p><b>Recommended Resolution Level</b> Dean   Department Head</p>

<sup>1</sup> This methodology is based on guidance from the International Professional Practices Framework of the Institute of Internal Auditors.

Opinion Methodology

<b>Effective</b>	<ul style="list-style-type: none"><li>• Control environment is adequate</li><li>• No findings noted</li><li>• Management’s control environment appears sound</li><li>• All high level risks adequately controlled</li></ul>
<b>Effective with opportunity for improvement</b>	<ul style="list-style-type: none"><li>• Control environment is adequate but some exceptions exist</li><li>• Some control weaknesses and/or opportunities for improvement observed</li><li>• Management’s control environment appears otherwise sound</li><li>• High level risks are adequately controlled</li></ul>
<b>Insufficient and requires improvement</b>	<ul style="list-style-type: none"><li>• Control environment is not adequate &amp; significant exceptions exist</li><li>• Some high level risks are not adequately controlled</li><li>• At least one finding is rated “high”</li><li>• Immediate safety and soundness are not threatened, but Management’s control environment requires improvement</li><li>• Significant exposure to fraud or security vulnerabilities</li></ul>
<b>Not Adequate</b>	<ul style="list-style-type: none"><li>• Control environment is not adequate and below standard</li><li>• Requires senior management’s immediate attention</li><li>• Lack of attention could lead to significant losses</li><li>• Management’s control environment considered unsound</li></ul>