Annual Compliance Report

Gates Garrity-Rokous, Vice President and Chief Compliance Officer

Overview

- Risk Trends
- FY2027 Compliance Plan Focus Areas

Higher Education Risk Trends

Key Risk Drivers

- Regulatory Expectations and Enforcement
- Academic Excellence and Research Innovation
- OSU Wexner Medical Center
- Athletics
- Economic and Political Environment

Regulatory Expectations & Enforcement

Risk Drivers

Known Risks

- Continued new legislation and regulations
- Continuing regulatory/enforcement uncertainty

Emerging Risks

- Shift in federal enforcement strategy
- Ongoing/increased focus on key areas, e.g., Title VI, Foreign Influence, Healthcare

FY2027 Compliance Focus

- Continuing improvements to issue response processes
- Continuing to strengthen cross-unit capacity to address emerging issues

Academic Excellence & Research Innovation

Risk Drivers

Known Risks

- Continuing competitive pressures and key opportunities requiring increase in speed of decision-making
- Continuing uncertainty on research funding

Emerging Risks

- Continuing use of AI technologies across all operations
- Ongoing cybersecurity 3rd party risks

FY2027 Compliance Focus

- Ongoing focus on AI compliance framework and continuing support for development of controls and governance
- Continuing focus on regulatory tollgates (key decision points)
- Continuing to align controls and processes to obtain efficiencies and facilitate compliance

OSU Wexner Medical Center

Risk Drivers

Known Risks

- New tower and ongoing changes to operations
- Continuous expansion of services, novel business relationships, changes to regulations present new challenges

Emerging Risks

- Cybersecurity 3rd party and AI technologies
- HIPAA privacy and challenges to data sharing for research purposes

FY2027 Compliance Focus

- Maintaining focus on tailored risk programs and compliance auditing
- Extending alignment of WMC and campus information security efforts
- Assisting with operational changes related to continued expansion of WMC

Athletics Transformation

Risk Drivers

Known Risks

- New compensation models or requirements
- Competitive pressures across all operations

Emerging Risks

- Fundamental change in business model
- Ongoing uncertainty of legal and regulatory environment

FY2027 Compliance Focus

- Continue rapid response to support strategic efforts to advance and align to industry changes
- Continue focus on NIL and industry transition

Economic and Political Environment

Risk Drivers

Known Risks

- Efficiency priorities and need for continued simplification of operations
- External environment increases velocity and extent of concerns and reputational risks

Emerging Risks

- Ongoing uncertainty in regulatory and enforcement environment

FY2027 Compliance Focus

- Improve focus risk assessment capabilities to better support strategic prioritization
- Continue focus on concern reporting processes

Government Affairs Annual Update to the Board of Trustees

September 2026

THE OHIO STATE UNIVERSITY

What we do

ADVOCATE

For Ohio State's mission of academic excellence, research and service at local, state and federal levels of government

FOSTER

Relationships and partnerships with policymakers and community leaders for students, faculty and staff

INFORM

Policymakers and community partners about Ohio State; and Ohio State about public policy and community partnerships

How we do it

ANALYZE

Legislation, current law, administrative policies, policymaking process

STRATEGIZE

Collaborate with internal and external stakeholders, associations and advocates/allies to develop university positions and agendas

ENGAGE

With policymakers on campus, in districts, and at the Statehouse, City Hall, Capitol Hill and beyond.

Government Affairs Leaders

Ben Kanzeg
Associate Vice President and
Executive Director of Policy

Stacy Rastauskas
Vice President for
Government Affairs

Stan Skocki
Associate Vice President and
Director of Federal Relations

Stephanie Milburn
Associate Vice President
of Government Affairs
Wexner Medical Center

Jason Jenkins
Associate Vice President
for Local and Community Relations

Tom Walsh
Associate Vice President
for State Affairs

2025-2026 (FY26) Annual Update

Advocating for Investment

- $1.8 billion annual government investment
- $14 million secured in direct federal appropriations to Ohio State for FY26
- $76 million secured in state capital funds, an increase of $1M over the previous capital budget

Advancing Policy Proposals

Engagement on 119 policy issues in 2025

- HR 1 – Federal Student Aid Provisions
- Athletics (PCSA and SCORE Act)
- SB 1 Implementation
- Civic Education
- Clinical Teaching Subsidies
- Research and Innovation
- Campus Safety and Infrastructure
- Farm Bill

Engaging with Public Officials

- 181 engagements with 137 key public officials in 2025
- 99 engagements with 67 key officials for President Bellamkonda through the end of FY26
- Regional Campus Commitment event in Lima, Scarlet and Gray Breakfast

Looking Ahead

- Post-election legislative sessions
- Gubernatorial transition
- FY 2028-29 State Operating Budget
- Shifting federal landscape
- Columbus city council districts

THE OHIO STATE UNIVERSITY

Board of Trustees

University Square South
15 East 15th Avenue, 5th Floor
Columbus, OH 43201

Phone (614) 292-6359
Fax (614) 292-5903
trustees.osu.edu

SUMMARY OF ACTIONS TAKEN

June 2, 2026 – Legal, Audit, Risk and Compliance Committee Meeting

Members Present:

Elizabeth P. Kessler	Juan Jose Perez	John W. Zeiger (ex officio)
Bradley R. Kastan	Amy Chronis	

Members Present via Zoom: N/A

Members Absent:

Patrick C. Arp

PUBLIC SESSION

The Legal, Audit, Risk and Compliance Committee of The Ohio State University Board of Trustees convened on Tuesday, June 2, 2026, at the Longaberger Alumni House on Ohio State's Columbus campus. Committee Chair Elizabeth Kessler called the meeting to order at 10:29 a.m.

EXECUTIVE SESSION

It was moved by Ms. Kessler and seconded by Mr. Kastan that the committee recess into executive session to discuss business-sensitive trade secrets; personnel matters regarding the appointment, employment and compensation of public employees; and to consult with legal counsel regarding pending or imminent litigation.

A roll-call vote was taken, and the committee voted to move into executive session with the following members present and voting: Ms. Kessler, Mr. Kastan, Mr. Perez, Ms. Chronis and Mr. Zeiger.

The committee entered executive session at 10:30 a.m. and reconvened in public session at 11:28 a.m.

PUBLIC SESSION

Items for Discussion:

1. External Audit Update: David Gagnon, lead engagement partner and national industry leader for higher education at KPMG, overviewed the external audit for FY26. Planning is already well underway. Many of the components being audited are consistent with the prior year, as are many team members and the audit timeline. Mr. Gagnon highlighted two new accounting pronouncements this year and their impact on the audit. He closed with a brief discussion of the single audit, through which certain programs are reviewed annually (e.g., research and student financial assistance) and others selected on a rotating basis.

   (See Attachment X for background information, page XX)

2. Fiscal Year 2027 Internal Audit Plan: Chief Audit Executive Brian Newell shared with the committee the Department of Internal Audit's five-year strategic audit plan. The plan is updated annually and evolves continuously in response to emerging risks. Highest-risk areas are audited annually, with other areas on two-, three- and five-year cycles depending on need.

   (See Attachment X for background information, page XX)

Items for Action:

3. Approval of Minutes: No changes were requested to the March 4, 2026, meeting minutes; therefore, a formal vote was not required, and the minutes were considered approved.

4. Resolution No. 2026-152, Approval of Fiscal Year 2027 Internal Audit Plan:

   Synopsis: Approval of the Fiscal Year 2027 internal audit plan is proposed.

   WHEREAS the Department of Internal Audit provides independent and advisory assurance and consulting services designed to add value and improve the operations of The Ohio State University; and

   WHEREAS the Department of Internal Audit governs itself by adherence to the mandatory elements of The Institute of Internal Auditors' Global Internal Audit Standards™, which includes presenting its internal audit plan to the university's Board of Trustees for approval; and

   WHEREAS the Department of Internal Audit presented its FY2027 internal audit plan to the Legal, Audit, Risk and Compliance Committee:

   NOW THEREFORE

   BE IT RESOLVED, That the Board of Trustees hereby approves the FY27 Internal Audit Plan.

Action: Upon the motion of Ms. Kessler, seconded by Mr. Perez, the foregoing resolution was adopted by roll-call vote with the following members present and voting: Ms. Kessler, Mr. Kastan, Mr. Perez, Ms. Chronis and Mr. Zeiger.

The meeting adjourned at 11:35 a.m.

Proposal to overhaul the Uniform Guidance

August 2026

OMB's proposed revisions to the federal Uniform Guidance

The Office of Management and Budget (OMB) recently proposed a comprehensive revision of the Uniform Guidance, which governs over $1 trillion in federal grants. The goal is to increase federal oversight and to align funding with the administration's priorities. The proposed changes are extensive and would significantly impact how universities and other not-for-profit organizations receive and manage federal funds. Key proposed changes are summarized below.

Area	Proposal summary / impact
Increased Political and Executive Control Over Grant Awards	A major change is the requirement that senior political appointees would review funding opportunities and discretionary awards before issuance. Awards would be evaluated for alignment with presidential priorities, agency priorities, and the "national interest." Peer review would remain advisory rather than determinative.
Expanded Federal Authority to Suspend and Terminate Awards	The proposal significantly broadens termination authority. Agencies could terminate awards not only for noncompliance, but also at agency discretion or pursuant to award-specific conditions. Agencies would not necessarily be required to offer extensive hearing or appeal processes before discretionary terminations: • Risk Assessment: Agencies can consider an applicant's "questionable practices" and affiliations when evaluating risk. • E-Verify: Mandatory participation in the E-Verify program would be required for all recipients of federal funding.

The proposal would materially increase federal oversight, documentation, monitoring, and technology requirements while raising the risk that funding may be restricted, suspended, or terminated based on evolving federal priorities.

OMB's proposed revisions to the federal Uniform Guidance (cont'd)

Area	Proposal summary / impact
Heightened Compliance and Oversight Expectations	The proposal expands risk assessments of applicants and recipients, allowing agencies to consider compliance history; foreign gift disclosure compliance; publicly reported "questionable practices"; and affiliations viewed as posing national security or public safety concerns. Other requirements include expanded conflict-of-interest disclosures, mandatory E-Verify participation for recipients and subrecipients, and broader noncompliance enforcement remedies.
Significant Impact on Research and International Collaboration	The proposal advances a "domestic-first" framework and creates broad restrictions on federally funded collaborations involving certain foreign countries and entities. The proposal further promotes "Gold Standard Science" principles and directs agencies to prioritize rigorous, reproducible research practices when making awards: • Foreign collaboration: Establishes a baseline prohibition on using funds for collaborations with "covered foreign countries" (e.g., China). • Lobbying & advocacy: Prohibits funding for voter registration drives and issue advocacy on social or political positions.
Restrictions on DEI-, Gender-, and Disparate-Impact-Related Activities	The proposal would prohibit federal funds from being used for activities that OMB characterizes as unlawful DEI practices, gender ideology initiatives, gender transition-related activities involving minors, or theories supporting disparate-impact liability. These restrictions would apply broadly across federal awards.
Greater Financial and Administrative Burden	Several proposed provisions increase administrative complexity, including: • Elimination of fixed-amount awards and subawards. • Increased reporting of actual incurred costs. • Prior approval requirements for conferences, memberships, and professional activities. • Stricter cost principles: Many costs previously allowable, such as for publications, advertising, conference attendance, and memberships, will become unallowable unless expressly pre-approved by the federal agency.

THE OHIO STATE UNIVERSITY

Department of Internal Audit
Quality Assurance Self-Assessment

Self-Assessment Report
August 2026

Department of Internal Audit

Student Academic Services Building, 2nd Floor
281 West Lane Avenue
Columbus, OH 43210

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Executive Summary

Background

The Institute of Internal Auditors' *Global Internal Audit Standards* guide the professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function. At the heart of the *Global Internal Audit Standards* are 15 guiding principles that enable effective internal auditing. Each principle is supported by standards that contain requirements, considerations for implementation, and examples of evidence of conformance. Together, these elements help internal auditors achieve the principles and fulfill the Purpose of Internal Auditing. The *Global Internal Audit Standards* require internal audit functions to develop, implement, and maintain a quality assurance and improvement program and to report the results of an internal quality assessment annually. This report summarizes the results of The Ohio State University Department of Internal Audit's 2026 quality assurance self-assessment.

Achievement and Conformance

Based on our 2026 quality assurance self-assessment, it is our opinion that The Ohio State University Department of Internal Audit ***Fully Achieves*** the *Global Internal Audit Standards*, demonstrating achievement and conformance across all five domains and related principles and standards. The following table summarizes achievement by principle. See page 6, Conformance Level by Standard, for additional achievement and conformance details.

Principle	Rating*
Purpose of Internal Auditing	**Fully Achieves**
Principle 1 – Demonstrate Integrity	**Fully Achieves**
Principle 2 – Maintain Objectivity	**Fully Achieves**
Principle 3 – Demonstrate Competency	**Fully Achieves**
Principle 4 – Exercise Due Professional Care	**Fully Achieves**
Principle 5 – Maintain Confidentiality	**Fully Achieves**
Principle 6 – Authorized by the Board	**Fully Achieves**
Principle 7 – Positioned Independently	**Fully Achieves**
Principle 8 – Overseen by the Board	**Fully Achieves**
Principle 9 – Plan Strategically	**Fully Achieves**
Principle 10 – Manage Resources	**Fully Achieves**
Principle 11 – Communicate Effectively	**Fully Achieves**
Principle 12 – Enhance Quality	**Fully Achieves**
Principle 13 – Plan Engagements Effectively	**Fully Achieves**
Principle 14 – Conduct Engagement Work	**Fully Achieves**
Principle 15 – Communicate Engagement Results and Monitor Action Plans	**Fully Achieves**

* The criteria used for concluding on achievement and conformance with the *Global Internal Audit Standards* were based on the 4-Point Quality Rating and Conclusion Model from Chapter 2 of the Institute of Internal Auditors, Quality Assessment Manual, 2024 Edition. (see page 9)

The Department of Internal Audit's 2026 quality assurance self-assessment conclusion that the internal audit function ***Fully Achieves*** the requirements of the *Global Internal Audit Standards* demonstrates conformance across all five domains and associated principles and standards. This achievement has been made possible through sustained partnership and support from the Legal, Audit, Risk & Compliance Committee of The Ohio State University Board of Trustees, the President, the Senior Vice President for Business and Finance, and other key leaders and stakeholders throughout the University, Wexner Medical Center, and beyond. The active engagement of these leaders and stakeholders has provided the essential foundation for the Department of Internal Audit to effectively fulfill its internal audit mandate, achieve its strategy, and accomplish its objectives.

The Ohio State University Department of Internal Audit (2026 Quality Assurance Self-Assessment Team)	
Name	**Title**
Brian Newell, CPA	Chief Audit Executive
Jennifer Arend, CPA	Associate Director
John Snedeker, MA, CIA, CISA, CISSP, CDPSE	Associate Director

Internal Audit Practices Observations

The Department of Internal Audit's 2026 quality assurance self-assessment highlighted several successful internal audit practices, as well as a few opportunities to improve and enhance the operations of the internal audit function. For more details on these observations, see *Successful Internal Audit Practices* (page 10) and *Improvement and Enhancement Opportunities* (page 12).

Independent Validation

The *Global Internal Audit Standards* require internal audit functions to receive an external quality assessment every five years, which can be met through a self-assessment with independent validation. Beginning on September 14, 2026, a team of four internal audit executives from peer institutions is scheduled to perform an independent validation of the Department of Internal Audit's 2026 quality assurance self-assessment. At the conclusion of the independent validation, the validation team will issue a formal report summarizing its observations and conclusions. This will represent the fifth external quality assessment of the Department of Internal Audit. The previous assessments (2021, 2015, 2010, and 2004) were also conducted as quality assurance self-assessments with independent validation. In all previous assessments, the independent validation teams concluded that the internal audit function generally conformed with the Institute of Internal Auditors' Standards.

Objectives, Scope, and Methodology

Objectives

The principal objectives of The Ohio State University Department of Internal Audit's 2026 quality assurance self-assessment include the following:

- Assess the Department of Internal Audit's conformance with the *Global Internal Audit Standards*, including evaluation of the Department's effectiveness in carrying out its mission and responsibilities, as set forth in the Internal Audit Charter adopted by The Ohio State University Board of Trustees.
- Highlight successful Department of Internal Audit practices.
- Identify opportunities to enhance or improve the internal audit function.
- Engage an independent external quality assessment team, with consent of the Board of Trustees, to validate the conclusions and ratings from the Department of Internal Audit's 2026 quality assurance self-assessment.

Scope

- Key Quality Assurance Standards and Governance Documents:
  - Institute of Internal Auditors *Global Internal Audit Standards,* effective January 9, 2025.
  - Institute of Internal Auditors, Quality Assessment Manual, 2024 Edition.
  - Internal Audit Charter adopted by The Ohio State University Board of Trustees on May 21, 2025.
  - Legal, Audit, Risk & Compliance Committee Charter adopted by The Ohio State University Board of Trustees on May 21, 2025.
- Scope Period:
  - Assessment of internal audit practices, policies, procedure manuals, and other applicable documents or activities in place at the time of the self-assessment.
  - Internal audit engagement workpapers, annual acknowledgements, and other applicable documents or activities completed during Fiscal Year 2026.

Methodology

The Ohio State University Department of Internal Audit's 2026 quality assurance self-assessment was conducted in accordance with the Institute of Internal Auditors, Quality

Assessment Manual, 2024 Edition. The Quality Assessment Manual's methodology provides a reasonable basis for quality assurance conclusions. The following summarizes some of the key methods used in conducting the quality assurance self-assessment:

- The Department of Internal Audit compiled and organized information and documentation in preparation for the quality assurance self-assessment.
- The Department of Internal Audit communicated with the independent validation team to plan and coordinate the quality assurance self-assessment with independent validation.
- The Department of Internal Audit documented current governance and operating practices using templates from the Quality Assessment Manual that cover the five domains of the *Global Internal Audit Standards:*
  - Domain I – Purpose of Internal Auditing
  - Domain II – Ethics and Professionalism
  - Domain III – Governing the Internal Audit Function
  - Domain IV – Managing the Internal Audit Function
  - Domain V – Performing Internal Audit Services
- The Department of Internal Audit reviewed workpapers of completed audit engagements for conformance with the *Global Internal Audit Standards* and the Department's internal policies and procedures.
- The criteria used for concluding on achievement and conformance with the *Global Internal Audit Standards* was based on the 4-Point Quality Rating and Conclusion Model from Chapter 2 of the Institute of Internal Auditors, Quality Assessment Manual, 2024 Edition.
- The Department of Internal Audit will provide the completed 2026 quality assurance self-assessment and supporting documents to the independent validation team and will coordinate the team's onsite visit and interviews with key stakeholders.

Conformance Level by Standard

The Ohio State University Department of Internal Audit's 2026 quality assurance self-assessment concluded that the internal audit function ***Fully Achieves*** the requirements of the Institute of Internal Auditors' *Global Internal Audit Standards*, demonstrating conformance across all five domains and associated principles and standards.

Domain I Purpose of Internal Auditing	
Principle/Standard	**Rating***
Purpose of Internal Auditing	**Fully Achieves**

Domain II Ethics and Professionalism	
Principle/Standard	**Rating***
Principle 1 – Demonstrate Integrity	**Fully Achieves**
Standard 1.1 – Honesty and Professional Courage	Fully Conforms
Standard 1.2 – Organization's Ethical Expectations	Fully Conforms
Standard 1.3 – Legal and Ethical Behavior	Fully Conforms
Principle 2 – Maintain Objectivity	**Fully Achieves**
Standard 2.1 – Individual Objectivity	Fully Conforms
Standard 2.2 – Safeguarding Objectivity	Fully Conforms
Standard 2.3 – Disclosing Impairments to Objectivity	Fully Conforms
Principle 3 – Demonstrate Competency	**Fully Achieves**
Standard 3.1 – Competency	Fully Conforms
Standard 3.2 – Continuing Professional Development	Fully Conforms
Principle 4 – Exercise Due Professional Care	**Fully Achieves**
Standard 4.1 – Conformance with the *Global Internal Audit Standards*	Fully Conforms
Standard 4.2 – Due Professional Care	Fully Conforms
Standard 4.3 – Professional Skepticism	Fully Conforms
Principle 5 – Maintain Confidentiality	**Fully Achieves**
Standard 5.1 – Use of Information	Fully Conforms
Standard 5.2 – Protection of Information	Fully Conforms

Domain III Governing the Internal Audit Function	
Principle/Standard	**Rating***
Principle 6 – Authorized by the Board	**Fully Achieves**
Standard 6.1 – Internal Audit Mandate	Fully Conforms
Standard 6.2 – Internal Audit Charter	Fully Conforms
Standard 6.3 – Board and Senior Management Support	Fully Conforms
Principle 7 – Positioned Independently	**Fully Achieves**
Standard 7.1 – Organizational Independence	Fully Conforms
Standard 7.2 – Chief Audit Executive Qualifications	Fully Conforms
Principle 8 – Overseen by the Board	**Fully Achieves**
Standard 8.1 – Board Interaction	Fully Conforms
Standard 8.2 – Resources	Fully Conforms
Standard 8.3 – Quality	Fully Conforms
Standard 8.4 – External Quality Assessment	Fully Conforms

Domain IV Managing the Internal Audit Function	
Principle/Standard	**Rating***
Principle 9 – Plan Strategically	**Fully Achieves**
Standard 9.1 – Understanding Governance, Risk Management, and Control Processes	Fully Conforms
Standard 9.2 – Internal Audit Strategy	Fully Conforms
Standard 9.3 – Methodologies	Fully Conforms
Standard 9.4 – Internal Audit Plan	Fully Conforms
Standard 9.5 – Coordination and Reliance	Fully Conforms
Principle 10 – Manage Resources	**Fully Achieves**
Standard 10.1 – Financial Resource Management	Fully Conforms
Standard 10.2 – Human Resources Management	Fully Conforms
Standard 10.3 – Technological Resources	Fully Conforms
Principle 11 – Communicate Effectively	**Fully Achieves**
Standard 11.1 – Building Relationships and Communicating with Stakeholders	Fully Conforms
Standard 11.2 – Effective Communication	Fully Conforms
Standard 11.3 – Communicating Results	Fully Conforms
Standard 11.4 – Errors and Omissions	Fully Conforms
Standard 11.5 – Communicating the Acceptance of Risks	Fully Conforms
Principle 12 – Enhance Quality	**Fully Achieves**
Standard 12.1 – Internal Quality Assessment	Fully Conforms

Domain IV Managing the Internal Audit Function	
Principle/Standard	**Rating***
Standard 12.2 – Performance Measurement	Fully Conforms
Standard 12.3 – Oversee and Improve Engagement Performance	Fully Conforms

Domain V Performing Internal Audit Services	
Principle/Standard	**Rating***
Principle 13 – Plan Engagements Effectively	**Fully Achieves**
Standard 13.1 – Engagement Communication	Fully Conforms
Standard 13.2 – Engagement Risk Assessment	Fully Conforms
Standard 13.3 – Engagement Objectives and Scope	Fully Conforms
Standard 13.4 – Evaluation Criteria	Fully Conforms
Standard 13.5 – Engagement Resources	Fully Conforms
Standard 13.6 – Work Program	Fully Conforms
Principle 14 – Conduct Engagement Work	**Fully Achieves**
Standard 14.1 – Gathering Information for Analyses and Evaluation	Fully Conforms
Standard 14.2 – Analyses and Potential Engagement Findings	Fully Conforms
Standard 14.3 – Evaluation of Findings	Fully Conforms
Standard 14.4 – Recommendations and Action Plans	Fully Conforms
Standard 14.5 – Engagement Conclusions	Fully Conforms
Standard 14.6 – Engagement Documentation	Fully Conforms
Principle 15 – Communicate Engagement Results and Monitor Action Plans	**Fully Achieves**
Standard 15.1 – Final Engagement Communication	Fully Conforms
Standard 15.2 – Confirming the Implementation of Recommendations or Action Plans	Fully Conforms

* The criteria used for concluding on achievement and conformance with the *Global Internal Audit Standards* were based on the 4-Point Quality Rating and Conclusion Model from Chapter 2 of the Institute of Internal Auditors, Quality Assessment Manual, 2024 Edition. (see page 9)

The Ohio State University Department of Internal Audit (2026 Quality Assurance Self-Assessment Team)	
Name	**Title**
Brian Newell, CPA	Chief Audit Executive
Jennifer Arend, CPA	Associate Director
John Snedeker, MA, CIA, CISA, CISSP, CDPSE	Associate Director

4-Point Quality Rating and Conclusion Model

The criteria used for concluding on achievement and conformance with the *Global Internal Audit Standards* are based on the following 4-Point Quality Rating and Conclusion Model from Chapter 2 of the Institute of Internal Auditors, Quality Assessment Manual, 2024 Edition.

4-Point Quality Rating and Conclusion Model			
Quality Rating	**For Conclusions on Achieving Overall Conformance**	**For Conclusions on Achieving Each Principle**	**For Conclusions on Conforming with Each Standard**
Full Achievement (or Full Conformance)	The internal audit function is fully achieving all 15 principles and the Purpose of Internal Auditing.	The internal audit function is fully achieving all the standards related to the principle and the principle's intent.	The internal audit function is fully conforming with all requirements of the standard and the standard's intent.
General Achievement (or General Conformance)	The internal audit function is not fully achieving at least one principle or aspect of Domain I but is achieving the Purpose of Internal Auditing.	The internal audit function is not fully achieving at least one standard but is achieving the principle's intent.	The internal audit function does not fully conform with at least one requirement but is achieving the standard's intent.
Partial Achievement (or Partial Conformance)	The internal audit function is not fully achieving at least one principle or aspect of Domain I, and the impact is significant enough to rate the function's overall achievement as partially achieving. The CAE may not include in final reports that engagements were performed in conformance with the Standards if the overall achievement conclusion is partial achievement.	The internal audit function is not fully conforming with at least one standard, and the impact is significant enough to rate the function as partially achieving the principle.	The internal audit function is not fully conforming with at least one requirement, and the impact is significant enough to rate the function as partially conforming with the standard's intent.
Nonachievement (or Nonconformance)	The internal audit function is not fully achieving at least one principle and the impact is significant enough to rate the function's overall achievement as nonachievement.	The internal audit function is not fully conforming with at least one standard, and the impact is significant enough to rate the function as not achieving the principle's intent.	The internal audit function is not fully conforming with at least one requirement, and the impact is significant enough to rate the function as not achieving the standard's intent.

Successful Internal Audit Practices

The following observations are based on the results of The Ohio State University Department of Internal Audit's 2026 quality assurance self-assessment. Each observation highlights a successful practice identified by the self-assessment team that correlates with a standard within the Institute of Internal Auditors' *Global Internal Audit Standards* and enhances the internal audit function's ability to effectively and efficiently fulfil the internal audit mandate, achieve its strategy, and accomplish its objectives.

Global Internal Audit Standards	Successful Internal Audit Practices
Standard 1.1 – Honesty and Professional Courage **Standard 2.1** – Individual Objectivity	The Department of Internal Audit staff annually certifies that they acknowledge and agree to conform with the Ethics and Professionalism (Domain II) requirements of the *Global Internal Audit Standards*, as well as other ethical and professional expectations.
Standard 3.1 – Competency **Standard 3.2** – Continuing Professional Development	The Department of Internal Audit has maintained an experienced, inquisitive, and highly trained staff with significant institutional knowledge, leading to a thorough understanding of control processes and meaningful and practical audit observations and recommendations.
Standard 4.1 – Conformance with the Global Internal Audit Standards **Standard 9.3** – Methodologies	The Department of Internal Audit maintains a robust suite of governance and procedure documents that define the internal audit function's infrastructure, methodologies, and strategies. These documents promote consistency, quality, sustainability, and conformance with the *Global Internal Audit Standards*. Examples include: Internal Audit Strategy, Policies & Procedures Manual (Audit Manual), Workpaper & Reporting Manual, Communication Plan, and Quality Assurance and Improvement Program.
Standard 6.3 – Board and Senior Management Support **Standard 8.1** – Board Interaction	The Chief Audit Executive has unrestricted access to the Legal, Audit, Risk & Compliance Committee of the Board of Trustees and maintains direct communication formally through quarterly meetings, including private sessions that occur every meeting as part of Executive Session, and informally through preparation meetings with the Chair, Vice Chair, and Charter Trustee that occur before each formal quarterly meeting. The Chief Audit Executive also has standing meetings with several key institutional leaders and sits on various steering committees to maintain senior management support of the internal audit function.
Standard 8.3 – Quality **Standard 8.4** – External Quality Assessment **Standard 12.1** – Internal Quality Assessment	The Department of Internal Audit maintains a comprehensive and effective quality assurance and improvement program that outlines requirements and methodologies for internal assessments, including ongoing monitoring and periodic reviews, and independent external quality assessments. The Chief Audit Executive annually reports the results of the Department's quality assurance efforts to the Legal, Audit, Risk & Compliance Committee of the Board of Trustees.
Standard 9.1 – Understanding Governance, Risk Management, and Control Processes **Standard 9.4** – Internal Audit Plan	The Department of Internal Audit has developed a formal Communication Plan that outlines the Department's ongoing communications with key stakeholders to continuously obtain feedback and information about governance, risk management, and internal controls. In addition, the Department's enterprise risk model facilitates risk input from key stakeholders and drives the development of a comprehensive 5-year strategic audit plan that is reevaluated and updated annually to reflect critical and emerging risks. The strategic audit plan, which is divided into

Global Internal Audit Standards	Successful Internal Audit Practices
	annual, 2-year, 3-year, and 5-year audit cycles, enables the Department to more effectively demonstrate coverage of risks throughout the institution, coordinate training for specialized audits, and evaluate audit staffing and resource needs.
Standard 11.1 – Building Relationships and Communicating with Stakeholders **Standard 11.2** – Effective Communication **Standard 11.3** – Communicating Results	The Department of Internal Audit has developed a formal Communication Plan that outlines the Department's ongoing communications with key stakeholders to enhance transparency, foster trust, and promote a culture of accountability. The Communication Plan also helps facilitate timely, accurate, and relevant reporting to senior leaders and key stakeholders, including the Legal, Audit, Risk & Compliance Committee of the Board of Trustees.
Standard 12.1 – Internal Quality Assessment **Standard 12.2** – Performance Measurement **Standard 12.3** – Oversee and Improve Engagement Performance	The Department of Internal Audit maintains a formal management sign-off process documented in the Workpaper & Reporting Manual to support engagement supervision that is authenticated through Docusign to ensure due professional care is applied through structured supervision and review to confirm quality across all engagements.
Standard 13.1 – Engagement Communication **Standard 14.3** – Evaluation of Findings **Standard 14.5** – Engagement Conclusions	The Department of Internal Audit maintains an effective communication and reporting process that includes timely project status updates, an Issue Priority-Classification scale for audit findings that identifies high priority issues that require immediate communication and mitigation, formal communication of engagement conclusions as part of a closing meeting with stakeholders, and a color-coded scorecard to help report readers quickly assess the results of an engagement.
Standard 13.2 – Engagement Risk Assessment	The Department of Internal Audit maintains a robust engagement planning and risk assessment process. Engagement planning incorporates enterprise risk information, stakeholder input, and key risk considerations. Significant risks are linked to engagement objectives, scope, and testing procedures through a documented risk assessment/work program, ensuring a consistent and comprehensive risk-based audit approach.
Standard 14.1 – Gathering Information for Analyses and Evaluation **Standard 14.6** – Engagement Documentation	The Department of Internal Audit maintains a structured engagement workpaper documentation approach that facilitates organized and thorough workpapers. The Department utilizes detailed workpaper templates and data analytics software for efficient, consistent, and comprehensive analysis and evaluation.
Standard 15.1 – Final Engagement Communication	The Department of Internal Audit communicates the final results of internal audit engagements to the Legal, Audit, Risk & Compliance Committee of the Board of Trustees each quarter. The summary report provided by the Chief Audit Executive includes an overall opinion (scorecard rating) for each audit engagement, along with a summary of key audit findings and identification of any findings classified as high priority. The summary report provides the Committee an efficient and thorough opportunity to review and understand the results of each individual internal audit engagement.
Standard 15.2 – Confirming the Implementation of Recommendations or Action Plans	The Department of Internal Audit maintains a robust process for following up on open audit findings. Formal follow-up reviews are conducted every 90-120 days until all findings are resolved. A formal escalation process exists for findings that are not adequately addressed. The status of follow-up reviews are reported quarterly to the Legal, Audit, Risk & Compliance Committee of the Board of Trustees.

Improvement and Enhancement Opportunities

The following observations are based on the results of The Ohio State University Department of Internal Audit's 2026 quality assurance self-assessment. Each issue provides opportunities for improving or enhancing the level of performance of the internal audit activity.

Global Internal Audit Standards	Improvement and Enhancement Opportunities
Standard 10.3 – Technological Resources **Standard 14.6** – Engagement Documentation	**Electronic Audit Workpaper System** – In 2020, the Department of Internal Audit transitioned from paper-based workpapers to an electronic workpaper documentation model utilizing Microsoft Office applications and a structured shared file repository. This transition enhanced security, accessibility, collaboration, retention management, and the overall efficiency of maintaining audit documentation. While the Department's current workpaper documentation model provides an effective means for documenting audit engagements and conforms with the *Global Internal Audit Standards*, several supporting processes remain dependent on separate tools and manual activities. Project management, audit issue tracking, workpaper indexing, engagement monitoring, timekeeping, and audit repository functions are not fully integrated. Over the years, the stability of some of those tools and the level of effort required to maintain them have become more challenging for the Department. Those challenges will likely increase as the Department continues to expand its use of technology and data-driven auditing practices. **Plan of Action** – Advancements in technology and artificial intelligence have made the development of an inhouse audit management platform a practical consideration. The Department of Internal Audit is currently evaluating the feasibility of developing and maintaining an inhouse audit management platform using University supported technologies. The Department has developed a proof-of-concept electronic audit management solution utilizing Microsoft Power Apps, Dataverse, and Microsoft 365 technologies. Key objectives being evaluated include cost, development time and effort, information security, application maintenance, and long-term stability.
Standard 14.6 – Engagement Documentation	**Workpaper Documentation** – In performing the 2026 quality assurance self-assessment, the Department of Internal Audit reviewed workpapers for a sample of completed audits and identified minor and isolated workpaper deficiencies (i.e., inaccurate or missing workpaper reference; incorrect project number; undocumented root cause; missing source, purpose, and/or conclusion). While these minor and isolated workpaper documentation deficiencies did not impact overall audit conclusions and results and did not signify nonconformity with the *Global Internal Audit Standards*, opportunities exist to enhance the overall consistency and completeness of workpaper documentation in accordance with the high documentation standards the Department aspires to maintain. **Plan of Action** – The Department of Internal Audit communicated the documentation deficiencies to all audit staff verbally in a staff meeting and in writing and will include a workpaper documentation training session as part of the Department's upcoming annual staff retreat (Fall 2026).