

Internal Audit Update

April 5, 2025

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Agenda

Action Item: Approval of the Internal Audit Annual report

Discussion

- Enterprise Risk Management (ERM) Program Update
- 2025 Audit Plan Overview

Enterprise Risk Management Program Update

ERM Program Impact

Improved Decision Making
Optimized Resource Allocation
Accountability
Continuous Improvement

Risk-aware culture

Proactive Crisis Management

Active Reputation Management
Regulatory Compliance
Security and Safety

Organizational Resilience

Improved Business Continuity
Enhanced Readiness
Improved Incident Response

ERM Impact Highlights in 2024

- Increased program awareness and outreach
- Launched programmatic approach to key risks
- Enhanced formal training programs
- Established accountability for cross-functional processes

ERM Timeline

Completed the entire 2023-24 ERM cycle

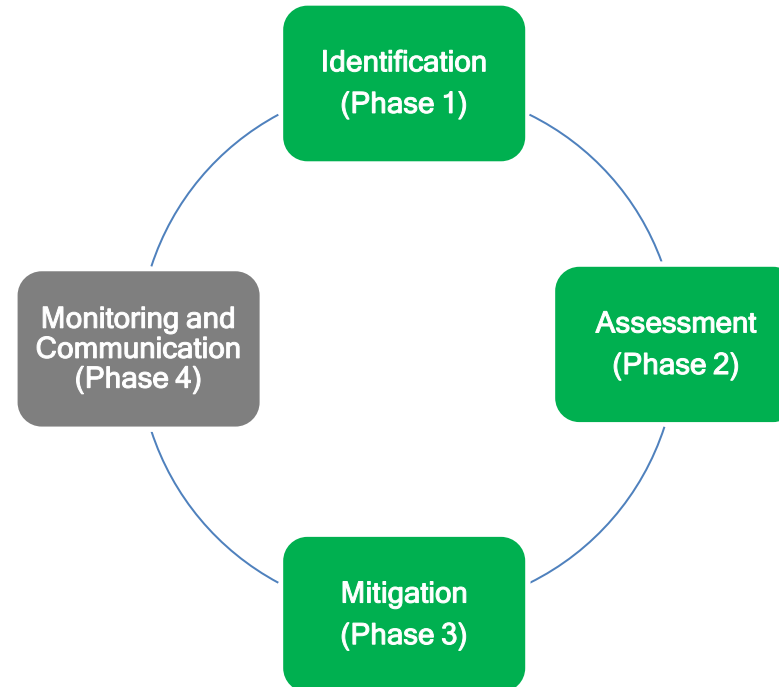
Completed three phases of the 2024-2025 cycle:

- Identified new and emerging risks
- Updated and refined existing risks

2025 calendar year will focus on

- Remediation efforts

2024- 2025 ERM Year



2024-2025 Risk Assessment Results

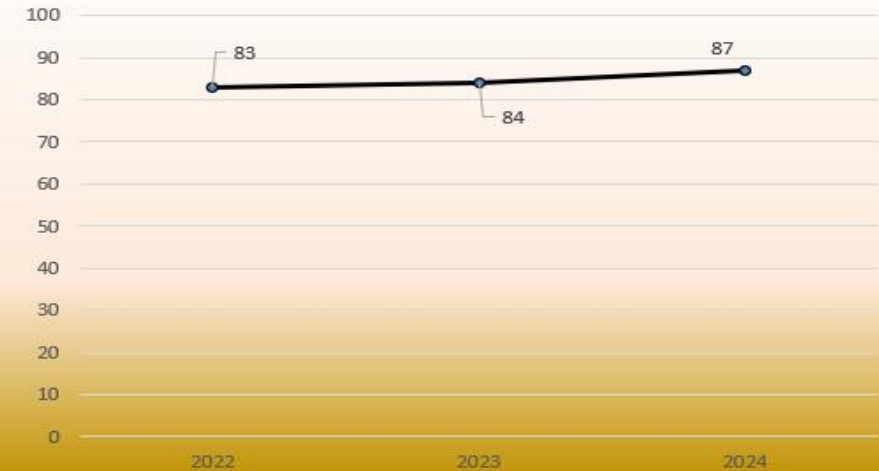
Count of Risk by Parent Business Unit

Academic Affairs and Diversi...	18
Administrative Operations	15
Research Ecosystem	9
Communications	9
IT	7
Athletics	6
Accounting, Finance and Trea...	5
Purdue Global	4
Human Resources	4
Ethics & Compliance	3
University System	3
Regionals	2
Legal	2



Total
87

Year over Year Risk Universe Count*



Overall Changes in Risk Environment

- Consistent risk distribution across functional areas
- The total risk universe: 87 risks, added 3 new moderate risks
- Top 11 risks in 2024
- Refinements in the Research Data domain

ERM Program Outlook

Looking Ahead

- **Governance:** Defining risk acceptance approval process
- **Value and Engagement:** Engaging more closely with all university entities and tailoring risk assessment criteria
- **Proactive and Agile Approach:** Creating a system to monitor risks and pilot key risk indicators

2025 Focus (As reported in December)

- Internal Audit assists in remediation efforts
- Recommendations prioritized by impact
- Target dates set and tracked
- Review of key items within BoT Committees
- ERM system enhancements

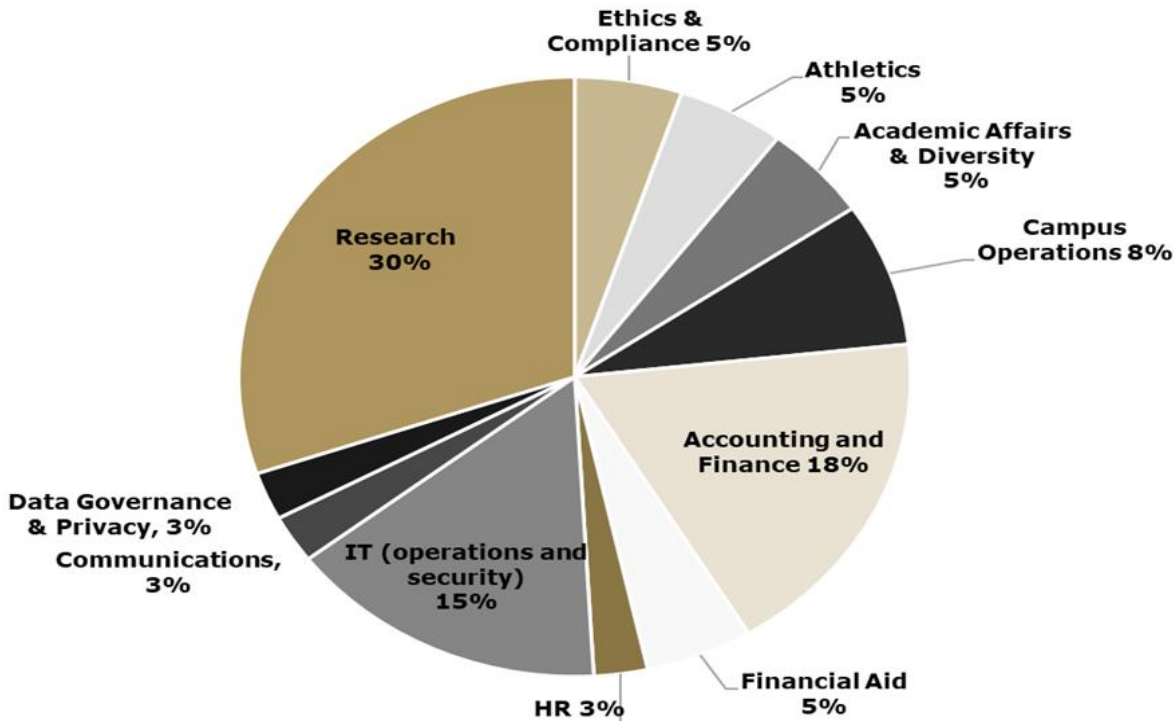
2025 Audit Plan Overview

2025 Audit Plan Summary

- ERM work complements the Audit Plan, addressing top risks
- 15% of projects are advisory
- 28% IT, 39% Integrated Operational, 18% Compliance and 15% Financial

- Audit projects align with risk drivers
- Projects derived from the 2024 ERM assessment.
- Of the 39 projects: 31% address Top11, 10% external audit support, 15% IT top risks, 44% Moderate risks

2025 Audit Plan Projects by Functional Area



2025 Audit Plan Project Distribution vs Top11 Risks

