

**UNIVERSITY OF TOLEDO INTERNAL AUDIT DEPARTMENT
MANAGE LEGAL AND ETHICAL ISSUES**

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C. Management recognized and evaluates significant litigation, claims, and assessments.

Business risks

- The company will not take the actions necessary to prevent further litigation or claims.
- The company will not record existing liabilities.
- The company will not adequately disclose litigation, claims and assessments.

Control practices

1. Ensure the company has the services of competent internal or external legal counsel.
2. Ensure management promptly notifies legal counsel of any legal action filed against the company.
3. Require management to meet periodically with counsel and the board of directors to review legal matters that may affect the company.
4. Inform employees of applicable legal, regulatory, and contractual requirements through

3.

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E. Errors, irregularities, and illegal acts are detected and properly remedied on a timely basis.

Business risks

- Errors, irregularities and illegal acts will not be detected.
- Noncompliance with laws or regulations will continue.
- The company will incur assessments and penalties.

Control practices

1. Respond promptly to notices from regulatory agencies.
2. Review and approve all correspondence and filings with regulatory agencies.
3. Execute appropriate remedial action in response to de2(d a)td25 -2i. 46 (e2(p)-6 (o)5 -8(re)0.5 (m)-)0.5 (c