Fiscal Year 2017 Annual Audit Plan
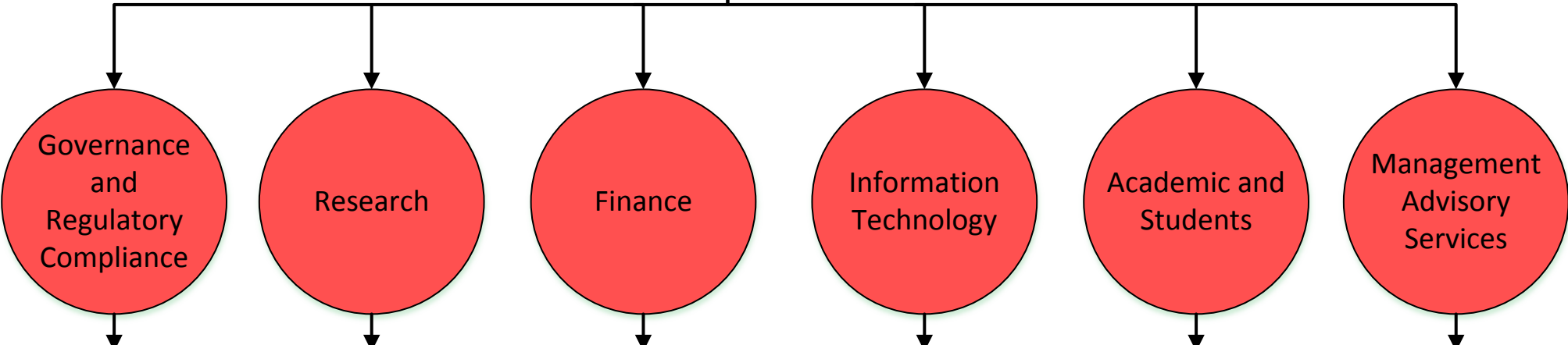
Audit Committee

- Directives

Chief Audit Executive

- Assessed Risk Based On Component Institutional Strategic Plans
- Each Audit Tied To Specific Strategic Initiative

Risk Assessment Meeting- Chief Audit Executive and Senior Leadership

- Develop Fiscal Year 2017 Annual Audit Plan
- Enterprise – Wide Perspective
- Identify High Impact Risks
- Value Driven Audits

Governance and Regulatory Compliance

- Expenditure and Investments Reviews (Enterprise)
- JAMP, SMIF (UNT)
- FMRP, CPRIT (UNTHSC)
- SB Bill 20 Conflict of Interest and Contracting (UNTS)
- NCAA Compliance (UNT)

Research

- Audits will be identified from current unallocated hours

Finance

- Payroll (UNTS)
- Financial Review of UNTHSC Reserves
- Revenue Cycle-Billing Review (UNTHSC Clinical Practices)
- Minor Capital Projects (Enterprise)
- Inventory Control Review (UNT, UNTHSC, UNTD)

Information Technology

- Vulnerability Scanning and Penetration Testing Review (UNTS)
- Health Care Data Security (UNTHSC)
- Virtual Server Environments (UNTS)

Academic and Students

- Enrollment (UNT, UNTHSC, UNTD)
- Residence Hall-Student Safety (UNT)
- Student Awareness and Training-Lab Safety (UNT, UNTHSC, UNTD)

Management Advisory Services

- Registrar's Office (UNTD)
- Training (Enterprise)
- Resource Protection Program Review (UNT, UNTHSC, UNTD)
- Continuous Auditing (Enterprise)

University of North Texas System Internal Audit

Fiscal Year 2017 Annual Audit Plan

Source	Risk Area	Title of Audit	Description and Audit Objectives	Component Institution				Hours	Identified Risk
				System	UNT	UNTHSC	UNTD		
REQ-BOARD OF REGENTS	COMPLIANCE	Chancellor's/President's Expenditure Reviews	Evaluate whether travel, entertainment, and business expenses are in compliance with System/University policies, employment agreement provisions, state and federal laws as required by employment agreements.	X	X	X	X	300	Compliance; Reputational; Financial; Operational
REQ-REGENT RULES AND ENTERPRISE POLICIES	COMPLIANCE	Investments	Evaluate controls surrounding the investing activities are effective; as well as adherence with System Regulation 08.2000, UNT System Board of Regents Rule 10.100, and Public Funds Investment Act (PFIA) including State Auditor's Office (SAO) Article III, Rider 5 reporting requirements.	X	X	X	X	400	Compliance; Reputational; Financial; Operational
REQ-REG AGENCY	COMPLIANCE	Student-Managed Investment Fund (SMIF)	Assess compliance with the donor agreement between UNT and Colonel Guy M. Cloud, Jr. related to SMIF.		X			150	Compliance; Reputational; Financial; Operational
REQ-REG AGENCY	COMPLIANCE	Joint Admissions Medical Program (JAMP)	Determine that the institution is in compliance with JAMP Agreement requirements and JAMP Medical Expenditure Guidelines.		X			200	Compliance; Reputational; Financial; Operational; Regulatory
REQ-REG AGENCY	COMPLIANCE	THECB Plaza Medical Center Family Medicine Residency Program (FMRP)	Verify that the institution is in compliance with the FMRP Agreement requirements and the FMRP Guidelines for funding.			X		150	Compliance; Reputational; Financial; Operational; Regulatory
REQ-REG AGENCY	COMPLIANCE	Cancer Prevention and Research Institute of Texas (CPRIT) (outsourced)	Determine compliance with the CPRIT grant contract, CPRIT administrative rules and applicable statutory requirements, grant budget, terms and conditions of the awards, CPRIT Policies and Procedures Guide and internal policies and procedures. Audit is outsourced since IA cannot render an independent opinion.		X	X		200	Compliance; Reputational; Financial; Operational; Regulatory
REQ-REG AGENCY	COMPLIANCE	Senate Bill 20 Conflict of Interest (SB 20)	Review the conflict of interest process within contracting as revised within SB 20 regulations.	X				200	Contract Compliance; Reputational; Financial; Operational; Regulatory
REQ-REG AGENCY	COMPLIANCE	Senate Bill 20 Mandated Internal Audit Assessment	Internal Audit is required under SB 20 regulations to review contracting process for adherence to requirements on annual basis.	X	X	X	X	300	Compliance; Reputational; Financial; Operational; Regulatory
MRA	ACADEMIC	Enrollment Audit	Assess the enrollment audit reporting process to ensure student attendance is reflected appropriately. This audit will look at aspects of student safety, financial processes and potential student retention and student persistence issues.		X	X	X	400	Student Safety; Financial; Operational

| Source	Risk Area	Title of Audit	Description and Audit Objectives	Component Institution				Hours	Identified Risk
				System	UNT	UNTHSC	UNTD		
IA	FINANCE	Payroll	Evaluate the adequacy of controls and processes surrounding new hires, terminated hires, ghost employees, salary adjustments, time sheets, and processing/monitoring of general ledger payroll accounts.	X				300	Financial; Operational
MRA	FINANCE	Financial Review of UNTHSC Reserves	Verify assets, liabilities, and items held in custody. An evaluation of the adequacy of controls throughout the institution and of compliance with prescribed procedures also is performed.			X		300	Financial; Operational; Reputational
MRA	FINANCE	Revenue Cycle – Billing Process (Clinical Practice)	Determine the adequacy of controls and processes to ensure complete, accurate, and timely claims to payors and are in compliance with contract and regulatory requirements.			X		500	Financial; Operational; Reputational
IA	FINANCE	Minor Capital Projects	Evaluate the adequacy of controls and processes surrounding minor capital projects to ensure the funds are expended appropriately, projects are financed adequately and completed timely.	X	X	X	X	300	Financial; Operational; Contract Compliance; Economical and Efficient Use of Resources
IA	INFORMATION TECHNOLOGY	Vulnerability Scanning & Penetration Testing Review	Ensure network, operating system, web application, and network access vulnerabilities are tested using best practices from NIST, CIS, SANS and OWASP top 10. Determine if scanning detects vulnerabilities that could lead to attacks such as denial of service, man-in-the-middle, password hacking, SQL injection, cross-site scripting and more. Determine if activities are in place to attempt to exploit any identified vulnerabilities and if processes are in place to escalate and remediate identified vulnerabilities. Determine if the vulnerability scanning tool includes scanning for malware that was not detected through anti-virus protection.	X				400	Information Technology Security; IT System Network Authorization and Access; Operational; Compliance with Policies; Reputational
MRA	INFORMATION TECHNOLOGY	Health Care Data Security	Verify policies and procedures are in place to support ePHI requirements. Determine the systems or processes that store and/or process ePHI. Verify ePHI data is appropriately secured. Verify Electronic Medical Records (EMR) systems are patched to the most current validated security level. Determine the strength of user access controls to systems containing ePHI data.			X		400	Information Technology Security; Safeguarding of Assets; Operational; Compliance with Policies; Reputational
IA	INFORMATION TECHNOLOGY	Virtual Server Environments	Identify the virtualized environments managed by shared services. Evaluate the configuration, partitioning, support, management, security and monitoring of the virtual server environment. Ensure administrative access to the hypervisor is appropriately limited.	X				300	Information Technology Security; Safeguarding of Assets; Operational; Compliance with Policies; Reputational

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IA	INTEGRITY UNIT	Resource Protection Program Review	Partner with the University Police Departments to perform periodic and reoccurring continuous resource protection. Assess control and custody of cash including accountability, safeguarding and management oversight. Assess the safety precautions provided to staff handling these funds. Perform random spot checks to raise control awareness.		X	X	X	300	Reputational; Asset Misappropriation; Physical Safety
IA	INTEGRITY UNIT	Inventory Control Review	Perform periodic and reoccurring reviews of operational effectiveness controls over inventory in facilities, dining services and athletics to ensure strong safeguarding and accountability controls protect assets. Perform random spot checks on areas storing pilferable inventory and hazardous materials.		X	X	X	300	Reputational; Asset Misappropriation; Compliance with Policies; Financial; Economical and Efficient Use of Resources
MRA	MANAGEMENT ADVISORY SERVICES	Registrar's Office – Business Process	Work with management to provide an overview of registrar services at peer institutions. Develop questionnaire to help management review registrar function and assess what type of activities and process should be conducted by a registrar office.				X	300	Operational; Reputational; Compliance with Policies
MRA	MANAGEMENT ADVISORY SERVICES	Training on Business Processes, Policies and Procedures	Provide Academic Chair-Faculty training on business processes, adherence to policies and procedures, and employee on-boarding process. Review for unauthorized software installed on user machines. Identify potential malware which could cause data breaches and unauthorized data leakage.	X	X	X	X	200	Compliance with Policies; Operational; Financial; Information Technology
IA	MANAGEMENT ADVISORY SERVICES	Continuous Auditing	Monitor data and identify outlier information for further review. Identify potential deficiencies in internal controls and instances of malfeasance. Completed by designated audit staff position.	X	X	X	X	400	Financial; Operational;
MRA	NCAA	NCAA Compliance	Review to be determined in athletic compliances areas (e.g., coaching limits, student recruitment, coaching contracts, etc.).		X			200	Regulatory; Reputational; Compliance with Policies; Operational
MRA	STUDENTS	Residence Hall- Student Safety Practices	Review university policies and guidelines relating to the safety of students residing in university on-campus housing. The auditors will work closely with risk management, the university fire marshal and other university officials to evaluate completeness of current evacuation plans and other safety measures.		X			400	Student Safety; Operational; Compliance with Policies; Reputational
MRA	STUDENTS	Student Awareness and Training- Lab Safety	Student participation in research, including activities conducted in instructional and research lab facilities, is an important part of the student educational experience. Review the process mandating students attend laboratory safe practices training and assess whether these policy and university practices are being followed and enforced.		X	X	X	400	Student Safety; Operational; Compliance with Policies; Reputational

Source	Risk Area	Title of Audit	Description and Audit Objectives	Component Institution				Hours	Identified Risk
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IA	UNALLOCATED HOURS-UNTS		Represents audit hours designated for institutional use but individual audit projects have not been determined. Audit projects will be identified over the course of fiscal year 2017 to be responsive to managements' high risk and high impact areas (e.g., shared services, business process reviews, fraud hotline investigations, etc.).	X				1,225	Financial; Operational; Asset Misappropriation; Economical and Efficient Use of Resources; Compliance with Policies; Safeguarding of Assets
IA	UNALLOCATED HOURS-UNT		Represents audit hours designated for institutional use but individual audit projects have not been determined. Audit projects will be identified over the course of fiscal year 2017 to be responsive to managements' high risk and high impact areas (e.g., leadership transition reviews, business process reviews, fraud hotline investigations, etc.).		X			3,650	Financial; Operational; Asset Misappropriation; Economical and Efficient Use of Resources; Compliance with Policies; Safeguarding of Assets
IA	UNALLOCATED HOURS-UNTHSC		Represents audit hours designated for institutional use but individual audit projects have not been determined. Audit projects will be identified over the course of fiscal year 2017 to be responsive to managements' high risk and high impact areas (e.g., leadership transition reviews, business process reviews, revenue cycles, fraud hotline investigations, etc.).			X		3,650	Financial; Operational; Asset Misappropriation; Economical and Efficient Use of Resources; Compliance with Policies; Safeguarding of Assets
IA	UNALLOCATED HOURS-UNTD		Represents audit hours designated for institutional use but individual audit projects have not been determined. Audit projects will be identified over the course of fiscal year 2017 to be responsive to managements' high risk and high impact areas (e.g., leadership transition reviews, business process reviews, fraud hotline investigations, etc.).				X	2,475	Financial; Operational; Asset Misappropriation; Economical and Efficient Use of Resources; Compliance with Policies; Safeguarding of Assets
REG-IIA PROFESSIONAL STANDARDS	COMPLIANCE	Follow-Up of Prior Audits	The IIA Professional Standards for internal auditing require auditors to follow-up on implementation of recommendations included in prior audit reports.	X	X	X	X	200	Due Diligence
		Total Planned Audit Hours						18,500	
		REQ-IIA Professional Standards	Other Internal Audit Supplemental Activities (e.g., compliance steps required by IIA professional guidelines, service provided to committees and professional organizations, other services provided to component institutions, other activities related to IA leadership requirements)					3,000	
		Total Audit Hours						21,500	

Legend:
MRA — Managements' Risk Assessment Identified
IA — Internal Audit Identified
REQ-Regent Rules and Enterprise Policies — Required by Regent Rules and Enterprise Policies
REQ-Board of Regents — Required by Board of Regents
REQ-Reg Agency — Required by Regulatory Agency
REQ-IIA Professional Standards — Required by IIA Professional Standards

UNIVERSITY OF NORTH TEXAS SYSTEM INTERNAL AUDIT
FISCAL YEAR 2017 ANNUAL AUDIT PLAN
RISK ASSESSMENT HEAT MAP
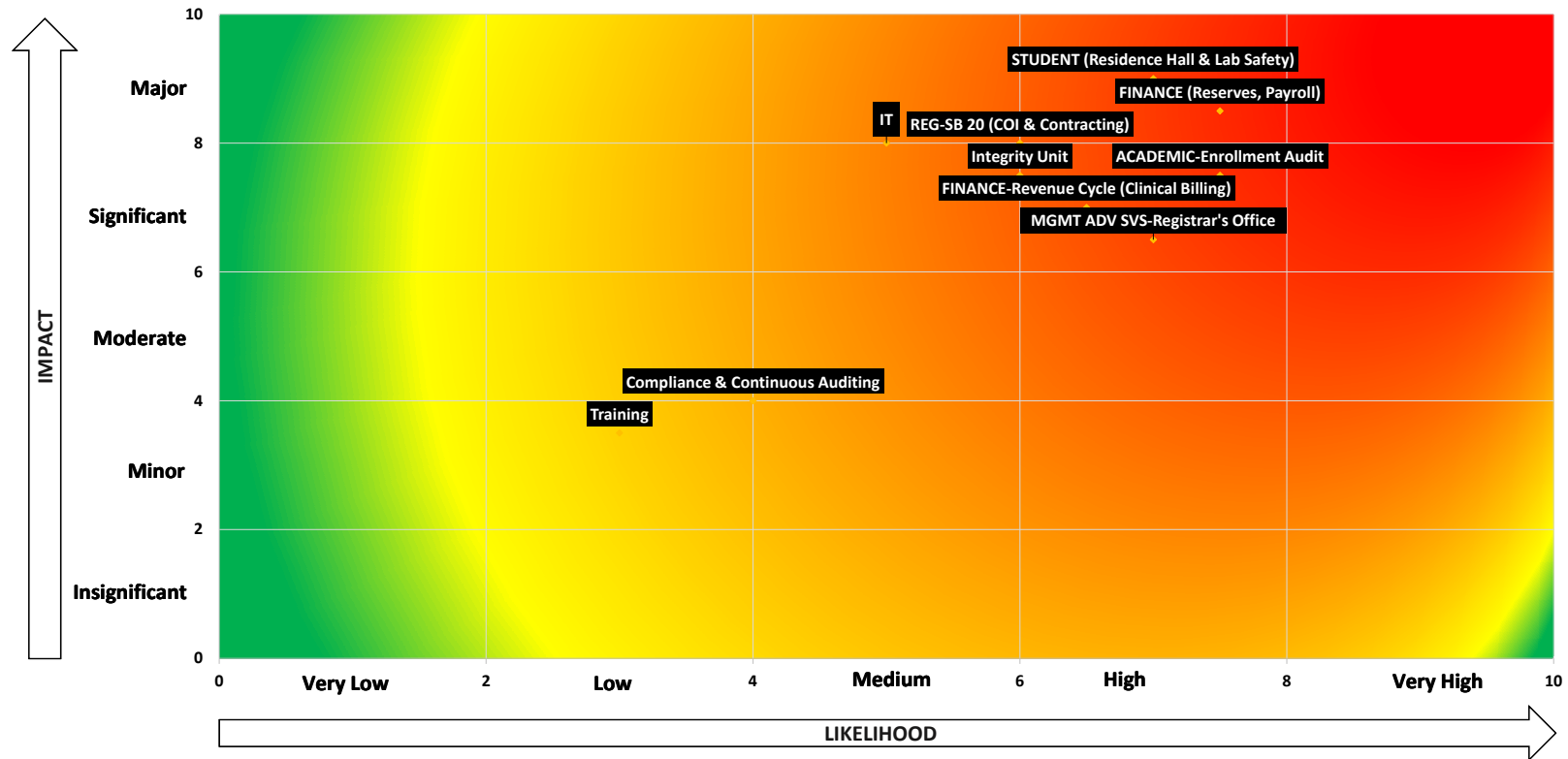
Heat Map Legend:

A heat map is a two-dimensional representation of data in which values are represented by colors.

Likelihood and Impact of Risk for each proposed audit are evaluated and plotted based on a 1 to 10 scale.

Audits that appear in green or yellow zones have a lower impact on the university and/or likelihood of occurrence, while audits that appear in orange or red zones have a greater impact on the university and/or likelihood of occurrence