Fiscal Year 2018
Annual Audit Plan

UNT SYSTEM
Internal Audit

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 FY18 Annual Audit Plan
- Enterprise – Wide Perspective
- Identify High Impact Risks
- Value Driven Audits

Governance and Regulatory Compliance

- CPRIT, FMRP (UNTHSC)
- Expenditure, Investments Reviews (Enterprise)
- NCAA Compliance (UNT)
- SB Bill 20 Mandated (Enterprise)
- SMIF (UNT)
- THECB Faculty Dev Center Award (UNTHSC)

Research

- Effort Reporting Process (UNT, UNTHSC)
- Grants and Contracts Compliance (UNT, UNTHSC)

Finance

- College of Pharmacy Financial Review (UNTHSC)
- Minor Capital Projects Construction (UNT)
- Provost Transition Audit (UNT)
- School of Health Professions Financial Review (UNTHSC)

Information Technology

- Business Process Continuity (UNT, UNTHSC, UNT Dallas)
- IT Asset Inventory Controls (UNT Dallas)

Academic and Students

- Health Center/ Counseling Center (UNT, UNTHSC)
- Scholarships Review (UNTHSC)
- Student Awareness and Training-Lab Safety (UNT, UNTHSC, UNT Dallas)

Management Advisory Audit Projects

- Integrity Unit (Enterprise)
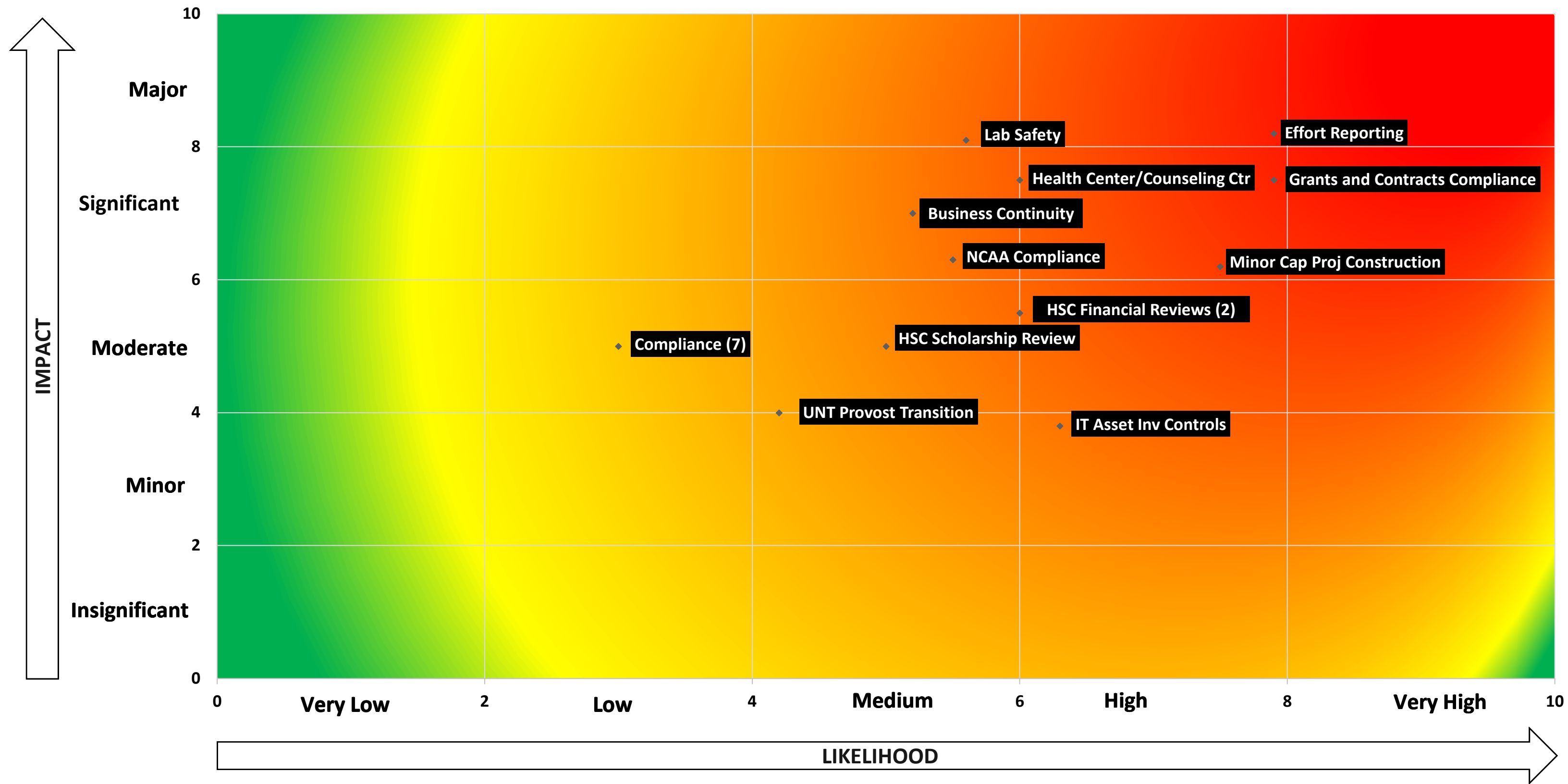- IA Facilitating Workgroups, Providing Training, and Serving as Subject Matter Experts

University of North Texas System Internal Audit
FY18 Annual Audit Plan

Source	Functional Area	Title of Audit	Description and Audit Objectives	Hours in Total	Component Institution				Identified Risk
					System	UNT	UNTHSC	UNT Dallas	
FY17 Audits Requiring FY18 Audit Hours:									
INTERNAL AUDIT	FINANCIAL	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.	100		X			Financial; Operational; Contract Compliance; Economical and Efficient Use of Resources
MGMT REQUEST	FINANCIAL	Community Counseling	Determine whether patient health information was adequately protected in accordance with the Texas Medical Records Privacy Act (Texas House Bill 300/ Texas Health & Safety Code § 181) and if cash handling processes/procedures provide an adequate system of internal controls to help ensure compliance with	100				X	Compliance; Reputational; Financial; Operational; Regulatory
MGMT REQUEST	ACADEMIC	Scholarships Review (outsourced)	Assess the effectiveness of processes in place for the management of scholarships and related funds.	100				X	Compliance; Reputational; Operational
			Total FY18 Hours Allocated for FY17 Audit Projects	**300**					
FY18 Hours Allocated for FY18 Audit Projects:									
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.	400	X	X	X	X	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.	400	X	X	X	X	Compliance; Reputational; Financial; Operational; Regulatory
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.	150		X			Compliance; Reputational; Financial; Operational
REQ-REG AGENCY	COMPLIANCE	THECB Faculty Development Center Award	Assess whether THECB program funds were expended in accordance with the terms and conditions of the FDC State Grant Agreement requirements and the FMRP Guidelines for Funding Operational and Support Programs.	300			X		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.	300			X		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.	50			X		Compliance; Reputational; Financial; Operational; Regulatory
REQ-REG AGENCY	COMPLIANCE	Senate Bill 20 Mandated Internal Audit	Internal Audit is required under SB 20 regulations to review contracting process for adherence to requirements on annual basis.	500	X				Compliance; Reputational; Financial; Operational; Regulatory

Source	Functional Area	Title of Audit	Description and Audit Objectives	Hours in Total	Component Institution				Identified Risk
					System	UNT	UNTHSC	UNT Dallas	
INTERNAL AUDIT	ACADEMIC	Scholarships Review	Review scholarships for compliance with purpose, eligibility requirements, University/System policies, state and federal laws.	200			X		Compliance; Reputational; Operational
MGMT REQUEST	ACADEMIC	Health Center/Counseling Center Audit	Determine whether patient health information is adequately protected in accordance with System/University policies, and state and federal laws. Determine whether cash handling processes and procedures provide adequate internal control to ensure compliance with System/Universities policies.	400		X			Compliance; Reputational; Financial; Operational; Regulatory
MGMT REQUEST	FINANCIAL	Provost Transition Audit	Review processes, procedures and controls for cashing handling, purchasing, travel expenses, and asset inventory is in compliance with University/System policies and regulations.	250		X			Compliance; Reputational; Financial; Operational
MGMT REQUEST	FINANCIAL	School of Health Professions Financial Review	The purpose of this audit will focus on processes pertaining to revenue received, how they are expended, and whether it is allocated appropriately.	400			X		Financial; Operational
MGMT REQUEST	FINANCIAL	College of Pharmacy Financial Review	The purpose of this audit will focus on processes pertaining to revenue received, how they are expended, and whether it is allocated appropriately.	400			X		Financial; Operational
INTERNAL AUDIT	FINANCIAL	Minor Capital Projects Construction Audit	Review the controls related to construction processes including vendor bidding, insurance, change orders, and project funding.	600		X			Compliance; Reputational; Financial; Operational;
INTERNAL AUDIT	INFORMATION TECHNOLOGY	IT Asset Inventory Controls Audit	Determine if IT equipment purchased for UNT Dallas courses is tracked, maintained, and kept current with the latest software to ensure the security and protection of University data and IT assets.	450				X	Financial; Asset Misappropriation; Economical and Efficient Use of Resources; Safeguarding of Assets
INTERNAL AUDIT	INFORMATION TECHNOLOGY	Business Continuity Planning	This audit will focus on the maturity and readiness of Business Continuity Planning (BCP) at the academic environment level of IT.	650		X	X	X	Information Technology Security; Operational; Compliance with Policies; Reputational
INTERNAL AUDIT	NCAA	NCAA Compliance	Review to be determined in athletic compliances areas (e.g., coaching limits, student recruitment, coaching contracts, etc.).	200		X			Regulatory; Reputational; Compliance with Policies; Operational
MGMT REQUEST	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.	900		X	X	X	Student Safety; Operational; Compliance with Policies; Reputational
INTERNAL AUDIT	RESEARCH	Grants and Contracts Compliance	Review grants and contracts for compliance with grant conditions, System/University policies, and state and federal laws.	600		X	X		Compliance; Reputational; Financial; Operational;
INTERNAL AUDIT	RESEARCH	Effort Reporting Process	Review effort reporting process for grants for compliance with grant conditions, System/University policies, and state and federal laws.	500		X	X		Compliance; Reputational; Financial; Operational;

Source	Functional Area	Title of Audit	Description and Audit Objectives	Hours in Total	Component Institution				Identified Risk
					System	UNT	UNTHSC	UNT Dallas	
INTERNAL AUDIT	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 FY18 to be responsive to managements' high risk and high impact areas (E.G., shared services, business process reviews, fraud hotline investigations, etc.).	1,300	X				Financial; Operational; Asset Misappropriation; Economical and Efficient Use of Resources; Compliance with Policies; Safeguarding of Assets
INTERNAL AUDIT	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 FY18 to be responsive to managements' high risk and high impact areas (E.G., shared services, business process reviews, fraud hotline investigations, etc.).	1,500		X			Financial; Operational; Asset Misappropriation; Economical and Efficient Use of Resources; Compliance with Policies; Safeguarding of Assets
INTERNAL AUDIT	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 FY18 to be responsive to managements' high risk and high impact areas (E.G., shared services, business process reviews, fraud hotline investigations, etc.).	800			X		Financial; Operational; Asset Misappropriation; Economical and Efficient Use of Resources; Compliance with Policies; Safeguarding of Assets
INTERNAL AUDIT	UNALLOCATED HOURS-UNT Dallas		Represents audit hours designated for institutional use but individual audit projects have not been determined. Audit projects will be identified over the course of FY18 to be responsive to managements' high risk and high impact areas (E.G., shared services, business process reviews, fraud hotline investigations, etc.).	1,500				X	Financial; Operational; Asset Misappropriation; Economical and Efficient Use of Resources; Compliance with Policies; Safeguarding of Assets
INTERNAL AUDIT	UNALLOCATED HOURS-IT		Represents audit hours designated for institutional use but individual IT audit projects and data mining have not been determined. IT audit projects will be identified over the course of FY18 to be responsive to managements' high risk and high impact areas.	3,720	X	X	X	X	Information Technology Security; IT System Network Authorization and Access; Operational; Compliance with Policies; Reputational
INTERNAL AUDIT	INTEGRITY UNIT	Integrity Unit - Annual Audit Hours	Investigates allegations of fraud, waste, abuse, ethical misconduct and operational inefficiencies received directly by Internal Audit and through referrals by the State Auditor's Office and the UNT and UNTHSC hotlines. Investigators work in tandem with the Office of General Counsel, University police departments, Human Resources, University Compliance Offices, and university financial and management functions to ensure control weaknesses are addressed.	2,912	X	X	X	X	Financial; Operational; Asset Misappropriation; Economical and Efficient Use of Resources; Compliance with Policies; Safeguarding of Assets; Employee Misconduct, Conflicts of Interest; Reputational
REG-IIA PROFESSIONAL STANDARDS		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.	612	X	X	X	X	Due Diligence
		Total FY18 Hours Allocated for FY18 Audit Projects		**19,994**					
		Grand Total of FY18 Hours Allocated for Audit Projects		**20,294**					

Source	Functional Area	Title of Audit	Description and Audit Objectives	Hours in Total	Component Institution				Identified Risk
					System	UNT	UNTHSC	UNT Dallas	
FY18 Hours Allocated for Value-Added Management Services:									
		IA Quality Assurance Review Recommendation Triage	Implementation of recommendations resulting from Quality Assurance Review performed in FY17. (E.G. audit process improvements, department policies and procedures, and audit methodologies)	200					
		Workgroup - Payroll and Employee Benefit Process Review	Work to evaluate the Payroll and Employee Benefit Processes resulting from Gradient Solutions work presented at Aug BOR meeting.	40					
		Workgroup - Journal Entry Process Review	Work with Finance team to evaluate the Journal Entry process to ensure process alignment with generally accepted accounting principles.	60					
		Workgroup - PCI DSS Compliance Process Review	Work with cross functional team to establish a PCI program is viable and sustainable.	80					
		Workgroup - UNTHSC Information Security/Privacy Committee	Provide audit and IT security consulting services as a member of UNTHSC Information Security/Privacy Committee.	40					
		Workgroup - Co-Sourcing with PwC	Work closely with PwC on Risk Assessment process and any/all audits that result from the process. Provide consulting, guidance and direction.	40					
		Workgroup - NextGen	Post implementation follow-up. Implementation scheduled for July 2017.	75					
		Workgroup - Clinical Billing, Coding and Revenue Cycle Compliance Committee/UNTHSC Compliance Committee	Reviews billing revenue cycle of UNTHSC, denials, number of days in accounts receivable. Reviews trends to discuss, monitor and determine how improvements can be made on a monthly to annual bases. Also identifies process breakdowns.	50					
		UNT Workgroups/Committee/Staff Meetings	Participation and involvement in work groups, committees, and staff meetings with UNT management.	83					
		Workgroup - UNT Academic Computing Workgroup	Lead a workgroup of IT representatives from each college focusing on the achievement of IT objectives in support of UNT strategic goals.	40					
		Workgroup - PeopleSoft Grants Billing and Account Receivable	Provide audit and process oversight services to ensure system development life cycle processes are in place and are being followed.	40					
		Resource/Training - Subject Matter Experts to Stakeholders on Business and IT Processes, Policies and Procedures	Provide insight, consulting and advisory services to Stakeholders across the Enterprise.	325					
		Resource - Academic Course Faculty Supplemental Presentation	Present and facilitate discussion for the UNT Internal Audit ACCT 5450 Class.	10					
		Resource - Shared Services Presentation	Group participation in Business Shared Services Financial Management Overview.	19					
		Ad Hoc Requests from Management	Unplanned support and training requests throughout FY18.	362					
		Total FY18 Hours Allocated for Value-Added Management Services		**1,464**					
		Total FY18 Hours Allocated for Audit Projects and Value-Added Management Services		**21,758**					

UNT SYSTEM
Internal Audit

UNIVERSITY OF NORTH TEXAS SYSTEM INTERNAL AUDIT
FY18 ANNUAL AUDIT PLAN
RISK ASSESSMENT HEAT MAP

IMPACT

10

Major

8

Significant

6

Moderate

4

Minor

2

Insignificant

0

- Lab Safety
- Effort Reporting
- Health Center/Counseling Ctr
- Grants and Contracts Compliance
- Business Continuity
- NCAA Compliance
- Minor Cap Proj Construction
- HSC Financial Reviews (2)
- Compliance (7)
- HSC Scholarship Review
- UNT Provost Transition
- IT Asset Inv Controls

0 — Very Low — 2 — Low — 4 — Medium — 6 — High — 8 — Very High — 10

LIKELIHOOD

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.