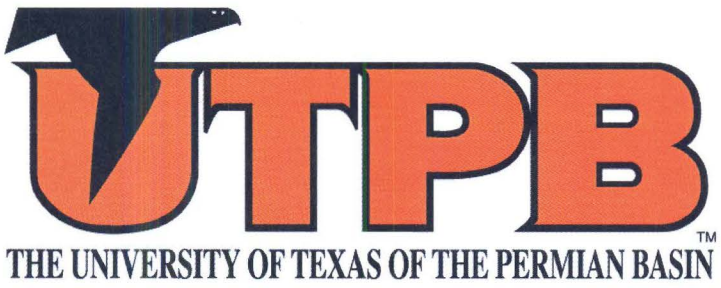
The University of Texas of the Permian Basin



AUDIT PLAN
Fiscal Year 2014

The University of Texas of the Permian Basin
Office of Internal Audit
4901 E. University
Odessa, Texas 79762

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Overview

The University of Texas of the Permian Basin (UTPB) Fiscal Year 2014 Audit Plan is a description of the internal audit activities that will be performed by the UTPB Office of Internal Audit during the upcoming fiscal year. In accordance with the Texas Internal Auditing Act (Texas Government Code 2102), The University of Texas System (UT System) Policy Number 129, The Institute of Internal Auditors' (IIA) Standard 2000 (Performance Standards), Generally Accepted Governmental Auditing Standards (Yellow Book), and specific instructions from the UT System Audit Office, we have prepared a formal audit plan for FY 2014. This audit plan allows the Chief Audit Executive (Director of Internal Audit) at UTPB to carry out the responsibilities of the Office of Internal Audit in accordance with IIA Standards and under the direction of the Internal Audit Committee (IAC).

Our overall objective was to develop a standardized audit plan for fiscal year 2014 consistent with the Internal Audit Charter and with UTPB's mission and goals, which addresses the highest risks within UTPB.

The University has completed a Risk Assessment process in order to identify certain areas by level and type of risk. The Tier One "Institutional" Risk Assessment" included in this plan includes the results of Tier Two assessments in several identified areas. The Audit Plan for FY 2014 reflects the results of these assessments. Given the short timeline due to staffing levels, preparation of the Risk Assessment process focused a great deal on historical issues. In the future, using this information as our baseline, we will continue to go forward to further refine the process.

Accordingly, the UTPB Office of Internal Audit will:

- Provide assistance as directed by the UT System for the external audit of the Annual Financial Report for the year ending August 31, 2013, and other projects;
- Review internal controls in financial operations for compliance with UT System policies and procedures;
- Emphasize economical and efficient use of resources and accomplishment of established objectives and goals for operations in risk-based audits determined through the risk assessment process; and
- Perform required projects and special requests made by UT System, executive management, and as approved by the Internal Audit Committee.

In preparation of the Audit Plan, input was received from the members of the UTPB Internal Audit Committee, Executive Management, Deans, Directors, and Department Heads. The Internal Audit Committee is comprised of the following members:

Dr. W. David Watts, President (Chair)
Dr. William Fannin, Provost and Vice President for Academic Affairs
Teresa Sewell, Sr. Assoc. Vice President for Student Services and Academic Affairs
Dr. Juli Ratheal, Assistant Vice President for Graduate Studies and Research
Dale Cassidy, Vice President for Business Affairs
Director of Accounting
Caron Perkins, Director of Human Resources
Rick Carlton, Southwest Bank
Eric Polonski, (non-member attendee representing UT System)

In addition to approval from the UTPB Audit Committee, the Audit Plan requires several additional levels of review and approval from the UT System Chief Audit Executive; the UT System Audit, Compliance, and Management Review Committee; and the UT System Board of Regents.

Budget and Staffing

FY 2013 saw a number of changes regarding the internal audit function at UTPB. The position of Director of Internal Audit was vacant for most of the year until the position was filled in June 2013. The position of Internal Auditor II was vacant from November 2012 until being filled in August 2013. The remaining position of Internal Auditor I was vacant for the entire fiscal year. In FY 2014, along with the filling of the positions as noted above, it is expected that the Internal Auditor I position will be filled during the upcoming months. Accordingly, the proposed budget for fiscal year 2014 includes all three positions. The calculation of available audit hours is presented in the attached Appendix G.

The Director of Internal Audit is a Certified Public Accountant (CPA), and has sixteen years of audit-related experience in government and public accounting. He is currently pursuing both the Certified Internal Auditor (CIA) and Certified Fraud Examiner (CFE) designations. The Internal Auditor II is a CIA and also a Certified Government Auditing Professional (CGAP). He has ten years of audit experience with State agencies.

UT System Requirements

This section of the Audit Plan includes audits that have been requested by The University of Texas System Executive Management and/or the Board of Regents as communicated by the UT System Audit Office.

Audit of the Annual Financial Report for FYE August 31, 2013
Audit procedures, as directed by UT System and the external auditor, will be performed for the UT Systemwide audit of the combined Annual Financial Report (AFR). The Office of Internal Audit will assist UT System auditors with fieldwork for the FY 2013 AFR during the fall and winter of 2013. Interim field work for the FY 2014 AFR is expected to take place in the spring and summer of 2014.

UTS Regents' Rule 20205 – Presidential Travel and Entertainment
The UT System policy on Presidential expenses went into effect as of September 1, 2006. This policy requires an annual audit of the President's travel and entertainment expenses. UT System will conduct an audit of the President's Office in FY 2014 with UTPB providing coordination and assistance.

Executive Travel and Entertainment Expenses Audit
In FY 2013, UT System began requiring all institutions to conduct an audit of the travel and entertainment expenses of executive management. Because of staffing levels, this audit was not performed during FY 2013. Consequently, during FY 2014, an audit will be performed of expenses incurred in FY 2013.

PeopleSoft Conversion
Internal Audit will review procedures and validate data as directed by UT System Audit Office during the conversion process from DEFINE to PeopleSoft.

Subcertification and Monitoring Plan
This audit is to determine if the UTPB Accounting Department has developed an adequate monitoring plan over subcertification of expenditures, and to verify the assertions on segregation of duties and account reconciliations. This audit was not performed in FY 2013. It is required to be performed annually within 60 days of the end of the fiscal year.

TAC 202
This audit, which is required biennially, is to evaluate compliance with Texas Administrative Code Section 202 on information resources standards of practice for institutions of higher education. In 2012, this audit was performed by UT System.

Externally Required Audits

Joint Admission Medical Program Grant:
In the past, a biennial audit has been required by the grant restrictions. For FY 2014, UTPB is not being required to perform this audit.

Follow-up of Prior Recommendations and Reserve

Follow-up Audits
Implementation of audit recommendations is the responsibility of management. Follow-up procedures assess the implementation of recommendations and evaluate the adequacy and timeliness of corrective action. Procedures include validation/testing of the implementation of audit recommendations and are limited to inquiry for the implementation of management memo recommendations. Follow-up of audit recommendations is conducted throughout the year and reported to the Audit Committee. Currently, there are a number of audit recommendations that were outstanding during FY 2013. Consequently, a commensurate number of hours have been set aside to follow-up on these in FY 2014.

Reserve
At the request of UT System Audit Office, hours have been allocated for engagements to be determined (e.g. special requests, investigations, consulting and requested System-wide audits). These projects may be requested by UT System, the University President, members of Executive Management and the Audit Committee.

UT PERMIAN BASIN
Appendix A
Fiscal Year 2014 Audit Plan

FY 2014 Audit Plan Audit/Project	Budgeted Hours	% of Total	Description
Financial			
Annual Financial Report - Interim - FY 2014	80		Perform interim procedures to assist external auditor prepare for FY 2014 financial statement audit.
Risk Based Tier One Audits			
Tuition and Fees	200		To determine compliance with University, System, State, and Federal rules and regulations. To test the internal control structure surrounding the collection, deposit, and recording of tuition and student fees and provide reasonable assurance that amounts are free of material misstatements.
Financial Subtotal	**280**	**8%**	
Operational			
Presidential Travel and Entertainment Expense Audit FY - 2013	40		Assist UT System Audit office with audit of compliance with UT System and Board of Regents Rule 20205 for Presidential Travel, Entertainment, and University Residence Maintenance Expenses.
Executive Travel and Entertainment Expense Audit - FY 2013	120		Review Travel and Ent. for Fiscal Year 2013 RR 20205 for executive management. Complete audit on sample of executive travel and entertainment expenses as required by UT System.
Risk Based Tier One Audits			
Contract Management	280		Identify and evaluate types of contracts and determine if they are being reviewed, approved and monitored.
Procurement Card and Travel Card Purchases and Payments	240		To determine compliance with University and State requirements regarding usage and payment of procurement cards and travel cards.
Cash Handling and Internal Controls	280		To document and evaluate cash handling, receipting and depositing procedures at selected locations at UTPB.
Operational Subtotal	**960**	**29%**	
Compliance			
Subcertification and Monitoring Plan	120		Determine whether the Accounting Department has developed an adequate monitoring plan over sub-certifications and validate the assertions on segregation of duties and account reconciliations (UTS142.1) - The Internal Audit Director shall perform annual testing, within 60 days of the fiscal year end, of the Monitoring Plan and the subcertifications, and validate the assertions on segregation of duties and account reconciliations.
Risk Based Tier One Audit			
Time and Effort	300		Determine compliance with UT System and UTPB policies, and grant requirements.
Donations	200		To assess compliance with institution's donations policy and procedures and the adequacy of the procedures in accordance with donor requirements and IRS reporting.
Compliance Subtotal	**620**	**19%**	
Information Technology			
PeopleSoft Implementation testing and review	160		Attend meetings and provide consulting services for the implementation of PeopleSoft
Risk Based Tier One Audit			
TAC 202	240		Biennial requirement to evaluate compliance with Texas Administrative Code Section 202 on information resources standards of practice for institutions of higher education. To evaluate information security for compliance with TAC 202 information security requirements by determining whether policies and procedures were developed and implemented.

UT PERMIAN BASIN
Appendix A
Fiscal Year 2014 Audit Plan

FY 2014 Audit Plan Audit/Project	Budgeted Hours	% of Total	Description
Information Technology Subtotal	**400**	**12%**	
Follow-up			
Follow-up on outstanding audit findings	160		Follow-up on prior outstanding audit recommendations.
Follow-up Subtotal	**160**	**5%**	
Projects			
Annual Audit Plan	80		Preparation of annual audit plan and updates
Annual Internal Audit Report	58		Preparation of the Annual Internal Audit Report, due on November 1st of each year, per the Texas Internal Auditing Act (Chapter 2101 Government Code).
Quality Assurance Review Activities	80		Review audit procedures and documentation to assure adherence to IIA standards
External Quality Assessment	80		Self-assessment and assistance provided for external assessment
Annual Audit Risk Assessment	80		Preparation and assessment of annual audit risk assessment.
Training provided by IA	40		Training to be provided as needed in vital areas - Training time need for budget heads and new staff.
Internal Audit Committee	120		Preparation and participation in audit committee meetings by Director and staff.
Compliance Committee	12		Participation by Director.
Professional Organizations	32		Participation by Director and staff.
UT System Council Meetings	40		Participation by Director.
Projects Subtotal	**622**	**19%**	
Reserve			
Special Requested Audits/Consulting	300		Special requests from President/Executive Management, unanticipated events, investigations, consulting, and TBD UT System engagements.
Reserve Subtotal	**300**	**9%**	
Total Hours	**3,342**	**100%**	

UT PERMIAN BASIN
Appendix B
Fiscal Year 2014 Audit Plan
Institutional Risk Assessment

		RISKS																					
#	ACTIVITIES	1		2		3		4		5		6		7		8		9		10			
1	Academic Affairs	HM	Failure to adequately prepare students for licensing/certification exams	HM	Students not graduating /graduating timely	HM	Failure to maintain specialized accreditation	HM	Lack of effective oversight of faculty recruitment, retention, development and turnover	HM	Poor scheduling practices leading to sub-optimal use of classrooms, etc	HL	Failure to meet SACS standards	HL	Failure to meet professional standards	HL	Biased grading practices	HL	Failure to train faculty and staff for academic administration	HL	Inadequate planning for faculty replacement	HL
4	Auxiliary Enterprise & Outsourced Services	HH	Inadequate provision for contract services	HM	Cash and Asset Protection	HM	Failure of contract management	HM	Failure to provide adequate security of auxiliary services	HM	Health and safety issues of students in housing	HM	Lack or inadaquate emergency procedures or training for procedures	HM	Performing Arts Center events management	MM	Damage to auxiliary facilities	-	n/a	-	n/a	-
11	Research	HM	Unsafe laboratories (materials & equipment)	HM	Inadequate grants management process	HM	Inadequate or inaccurate data collection and/or reporting	HM	Inappropriate use of animal subjects or unsafe animal labs	HM	Inappropriate use of human subjects	HM	Theft of intellectual property	HL	Fraud	MM	Inadequate Export Control Mechanisms	MM	Conflict of interest	MM	Inadequate infrastructure to support research	ML
8	Institutional Advancement	HM	Failure to comply with donor requirements or objectives	HM	Failure to correctly record and acknowledge online gifts	HM	Failure to provide and/or document in-kind matches	HM	Inaccurate and/or untimely reporting	HL	Fraud	MM	Failure to follow SOPs	MM	Failure to consistently and accurately maintain alumni records for the Online Alumni Newsletter and various alumni mailings	-	n/a	-	n/a	-	n/a	-
9	Outreach	HM	Cash and asset protection	HM	Contract Specification	HM	Events management	HM	Injury to a participant	MM	Inadaquate or lack of training	MM	Lack of timely feedback to react to problems					-	n/a	-	n/a	-
2	Accounting	HM	All financial commitments not included and documented in budget process	HM	Enrollment and registration processes do not provide appropriate tracking and processing of tuition and fees	HM	Fraud	HM	Inappropriate handling of cash	HH	Inadequate knowledge base to effectively use accounting system (DEFINE/PeopleSoft)	HM	Failure to comply w/ state & federal financial reporting requirements	MH	Fiscal controls are not adequate to ensure safeguarding of assets	MM	Failure to comply w/ purchasing requirements and/or best practices	-	n/a	-	n/a	-
5	Enrollment Mgmt.	HM	Improper student loans	HM	Inaccurate reporting &/or coding of data	HM	Student perception that there are cumbersome admissions & fin aid procedures	HL	Awards to ineligible students	HL	Failure to maintain privacy, integrity & security of data	HL	Fraudulent records or financial aid fraud	HL	Over/under awarding Fin. Aid &/or scholarships	HL	Uncollectable student loans & Default rate unacceptable	MM	Failure to understand & comply/w federal security regs on foreign students.	ML	Inability to award specific requirement scholarships	
3	Athletics	HM	Adverse findings in financial audit	HM	Failure to monitor student-athlete eligibility status	HM	Gender bias in programs, services and support for student athletes	HM	Improper use of Procard or travel card	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-
7	IT	HM	Risks to information availability related to network process, configuration and control issues	HM	Risks to information confidentiality related to client process, configuration and control issues	MH	Risks to information avaialibility related to client process, configuration and control issues	MH	Risks to information confidentiality related to server process, configuration and control issues	MH	Risks to information integrity related to server process, configuration and control issues	MM	Risks to information availability related to server process, configuration and control issues	MM	Risks to information confidentiality related to network process, configuration and control issues	MM	Risks to information integrity related to client process, configuration and control issues	MM	Risks to information integrity related to network process, configuration and control issues	-	n/a	-
10	Physical Plant	HM	Failure to communicate emergency procedures	MM	Failure to manage constuction and outsourced services	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-
6	Human Resources Mgmt.	HH	Staff recruitment and retention	HM	Staff training	HL	Data Management	HL	Failure to comply with federal & state regulations	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-
12	Strategic Planning	HM	Failure to meet funding requirements	MM	Failure of high level mission, vision, goals	MM	Failure to integrate plans across the university	MM	Failure to plan for the future	MM	Implementation failures	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-
13	Student Services	HL	Failure to maintain positive cash flow for child care center	HL	Failure to provide a safe campus	HL	Failure to provide a safe child care environment	HL	Offenses against students, faculty & staff (sexual, racial, etc)	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-
14	Academic Affairs	MM	Inaccurate/untimely reports	MM	Inadequately equipped classrooms and labs	MM	Failure to Exceed THECB Low Producing Programs Targets	MM	Failure to pass professional tests	ML	Programs not developed and evaluated for effectiveness, continued demand and institutional priorities	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-

UT PERMIAN BASIN
Appendix B
Fiscal Year 2014 Audit Plan
Institutional Risk Assessment

11	12		13		14		15		16		17		18	
Transcript and academic credential inaccuracy /fraud	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
Failure to define our responsibilities in joint ventures	ML	Failure to define ownership of copyrights, patents & licenses			-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
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n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a

UT PERMIAN BASIN
Appendix B
Fiscal Year 2014 Audit Plan
Institutional Risk Assessment

HH, HM	= Extensive Risk Management & Considerable Risk Management (all Levels of Control* plus a traditional audit)
HL, MH	= Manage and Monitor (all Levels of Control but no traditional audit)
MM, ML, LH	= Monitor (only Execution Controls & Supervisory Controls)
LM, LL	= Accept (accept the risk and have no controls)

Use for Risk Management Plan:

	Audit work should be performed and the Division Director should perform the oversight controls to ensure that supervisory & execution controls are
	The Division Director (or a designee) should perform oversight controls to ensure that the supervisory and execution controls are working.
	Unit heads reporting to the Division Director should perform oversight function to see that supervisory and execution controls are working.
	Unit heads should ensure they are using supervisory controls to monitor the execution controls in their area.

UT PERMIAN BASIN
Appendix C
Fiscal Year 2014 Audit Plan
Research Risk Assessment

RISKS

#	ACTIVITIES	1		2		3		4		5		6		7		8	
1	Management	HH	Inadequate training about Federal reporting requirements	HH	Noncompliance with new Federal report requirements such as Time and Effort	HM	Inadequate grants management process	HM	Inadequate or inaccurate data collection &/or reporting	MH	Inadequate administrative infrastructure to support research	MM	Failure to define our responsibilities in joint ventures				
3	Ethics	HM	Failure to bring research within the institutional control system	HM	Inappropriate use of human subjects	HM	Conflict of Interest	HL	Inappropriate use of animal subjects or unsafe animal labs	HL	Fraud	MM	Inappropriate use of funds				
2	Intellectual Property	HM	Inappropriate processing for intellectual property issues	HM	Theft of intellectual property	ML	Failure to define ownership of copyrights, patents & licenses										
4	Facilities	HM	Unsafe research facilities and materials	HL	Unsafe facilities in teaching laboratories												
5	Time and Effort Reporting	MH	Having Payroll charges in excess of documented Effort for the applicable contract or grant	MM	Having uninformed principal investigators completing Effort Certification	ML	Failure to complete a Cost Transfer when revised Effort has occurred	ML	Failure to complete and justify Cost Transfers in a timely manner	ML	Having multiple Sponsored Programs whose commitment exceeds 100%	LM	Failure to request sponsor approval in advance for reduction in Effort of greater than or equal to 25%	LL	Failure to account for Cost Sharing	LL	Failure to adhere to the NIH salary cap

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UT PERMIAN BASIN
Appendix D
Fiscal Year 2014 Audit Plan
IT Risk Assessment

RISKS

#	ACTIVITIES	1		2		3		4		5		6	
1	Client Station Utilization - Information Confidentiality	MH	Unauthorized information disclosure due to loss or theft of laptop computers	HM	Unauthorized information disclosure due to loss or theft of removable storage devices	HH	Unauthorized information disclosure through social engineering exploit of user	MH	Unauthorized information disclosure through user installation of unauthorized software	MM	Unauthorized information disclosure through lack of physical security	MM	Unauthorized information disclosure due to client malware
2	Network Utilization - Information Availability	HM	Loss of application availability due to fire at campus demarc	HM	Loss of information or application availability due to improper configuration change control	MM	Loss of information or application availability due to denial of service attack	MM	Loss of information or application due to loss of wide area connectivity				
3	Network Utilization - Information Confidentiality	HM	Unintended information disclosure due to improper configuration change control	MH	Unauthorized information disclosure through user connection of unauthorized network device	MM	Unauthorized information disclosure through network intrusion						
4	Network Utilization - Information Integrity	HM	Unintended information modification due to improper configuration change control	MH	Unauthorized information modification due to user connection of unauthorized network device	MM	Unauthorized information modification through network intrusion						
5	Client Station Utilization - Information Availability	MH	Loss of application and/or data availability due to client software configuration control system	MH	Loss of information availability due to software failure	MH	Loss of information availability due to hardware failure	MM	Loss of information availability due to procedural error by authorized personnel				
6	Server Utilization - Information Confidentiality	MH	Unauthorized information disclosure due to poor user account management	MH	Unauthorized information disclosure due to incorrect data access control assignments	MM	Unauthorized information disclosure due to application vulnerability exploit						
7	Server Utilization - Information Integrity	MH	Unauthorized information modification due to poor user account management	MH	Unauthorized information modification due to incorrect data access control assignments	MM	Unauthorized information modification due to application vulnerability exploit						
8	Client Station Utilization - Information Integrity	MH	Unintended modification of information by authorized personnel due to data entry error	MM	Unintended modification of information by authorized personnel due to procedural error	MM	Unauthorized modification of information by unauthorized user	MM	Unauthorized modification of information due to inadequate physical security				
9	Server Utilization - Information Availability	MM	Loss of application and data availability due to server hardware failures	MM	Loss of application and data availability due to server software failures	MM	Loss of application availability due to poor documentation	MM	Loss of application and/or data availability due to application vulnerability exploit	MM	Loss of application and data availability due to untested backup/recovery procedures		

UT PERMIAN BASIN
Appendix D
Fiscal Year 2014 Audit Plan
IT Risk Assessment

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	Unit heads should ensure they are using supervisory controls to monitor the execution controls in their area.

UT PERMIAN BASIN
Appendix E
Fiscal Year 2014 Audit Plan
Athletics Risk Assessment

RISKS

#	ACTIVITIES	1		2		3		4		5	
1	Athlete Eligibility	HH	Inappropriate courses taken (not toward degree in 3rd, 4th and 5th year)	MM	Failure to choose degree program or declare a major						
2	Inadequate Emergency Planning	HL	Injuries worsened due to inadequate planning								
3	Athlete Eligibility	MM	Failure to monitor student-athlete eligibility status could result in an Athletic Department playing ineligible student-athlete in competitive events	MM	Not adhering to 10-semester rule	MM	Inadequate monitoring of enrollment (full-time 12 hrs)	MM	Inadequate documentation	MM	Required forms are completed (Liability waiver, NCAA Required Forms and Drug/Behavior Policy forms and Transfer Forms)
4	Athlete Eligibility	MM	Ineligible Freshmen student-athletes participating in sport practice and/or competition.	MM	Transfer students allowed to play illegally	MM	Failure to meet requirement of passing 24 credit hours each year.	MM	Inappropriate number of hours earned during the summer (>25%)	MM	Inadequate GPA
5	Recruiting	MM	Inappropriate lodging and transportation provided to prospect and/or family	MM	Inappropriate contact and/or payment by a booster	MM	Coaches make more than one call a week to recruits	MM	Coaches make more than 3 allowed contacts		
6	Rules Education	MM	Lack of a comprehensive rules education program that includes: Staff members, Coaches, Student-Athletes,Representatives of Athletic Interests, and other relevant institutional personnel (Registrar, Bursar, Financial Aid, etc.)	MM	Rules and regulations will not be disseminated to the appropriate individuals	MM	Information not current				
7	Student-Athlete Management / Extra Benefits	MM	Extra Benefits received from UTPB	MM	Extra Benefits from Boosters						
8	Unsafe Facilities	MM	Injuries caused by unsafe conditions								
9	Fiscal Procedures	MM	Non-compliance results in unfavorable publicity, damage to the athletics departments' reputation, loss of certification status, restricted NCAA membership, and possible loss of membership								
10	Event Management	MM	Failure to comply with Heartland Conference requirements								
11	Gender Equity	ML	Non-compliance can result in negative publicity and possible settlements against the institution	ML	Gender bias in programs, services and support for student-athletes						

UT PERMIAN BASIN
Appendix E
Fiscal Year 2014 Audit Plan
Athletics Risk Assessment

12	Infractions	ML	Failure to implement corrective actions for major violations.	ML	Failure to implement corrective actions for secondary violations						
13	Dangerous Weather	ML	Non-compliance can result in safety concerns for athletic events.								
14	Sports Camps	LH	Improper employment of camp employees	LM	Free or reduced admissions in violation of NCAA rules	LM	Lack of proper documentation				

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Use for Risk Management Plan:		
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		The Division Director (or a designee) should perform oversight controls to ensure that the supervisory and execution controls are working.
		Unit heads reporting to the Division Director should perform oversight function to see that supervisory and execution controls are working.
		Unit heads should ensure they are using supervisory controls to monitor the execution controls in their area.

UT PERMIAN BASIN
Appendix F
Fiscal Year 2014 Audit Plan
High Risks Not Covered

TIER ONE ACTIVITIES:

Ranking	Risk	Explanation/Mitigation	Internal Audit Action
	Academic Affairs		
HM	Failure to adequately prepare students for licensing/certification exams	Non-audit and compliance issue. Rely upon management oversight.	None in FY 2014
HM	Students not graduating /graduating timely	Non-audit and compliance issue. Rely upon management oversight.	None in FY 2014
HM	Failure to maintain specialized accreditation	Rely upon management oversight.	None in FY 2014
HM	Lack of effective oversight of faculty recruitment, retention, development and turnover	Rely upon management oversight.	None in FY 2014
HM	Poor scheduling practices leading to sub-optimal use of classrooms, etc	Review utilization rates for classrooms and classes for accuracy and UT System policy.	Perform in FY 2014 as available resources permit
	Auxiliary Enterprise & Outsourced Services		
HM	Failure to provide adequate security of auxiliary services	Rely upon management oversight.	None in FY 2014
HM	Health and safety issues of students in housing	Non-audit and compliance issue. Rely upon management oversight.	None in FY 2014
HM	Lack or inadaquate emergency procedures or training for procedures	Rely upon management oversight.	None in FY 2014
HM	Performing Arts Center events management	Rely upon management oversight.	None in FY 2014
	Research		
HM	Inappropriate use of animal subjects or unsafe animal labs	Non-audit issue. Rely upon Compliance monitoring and management oversight.	None in FY 2014
HM	Inappropriate use of human subjects	Non-audit issue. Rely upon Compliance monitoring and management oversight.	None in FY 2014
HM	Theft of intellectual property	Non-audit issue. Rely upon Compliance monitoring and management oversight.	None in FY 2014

UT PERMIAN BASIN
Appendix F
Fiscal Year 2014 Audit Plan
High Risks Not Covered

Outreach

HM	Events management	Non-audit issue. Rely upon Compliance monitoring and management oversight.	None in FY 2014
HM	Injury to a participant	Non-audit issue. Rely upon Compliance monitoring and management oversight.	None in FY 2014

Accounting

HM	All financial commitments not included and documented in budget process	Non-audit and compliance issue. Rely upon budget approval process and management oversight	None in FY 2014
HH	Inadequate knowledge base to effectively use accounting system (DEFINE/PeopleSoft)	Non-audit and compliance issue. Rely upon management oversight	None in FY 2014
HM	Failure to comply w/ state & federal financial reporting requirements	Rely upon outside audit of Annual Financial Report to ensure that reporting requirements are being met	None in FY 2014

Enrollment Management

HM	Improper student loans	Rely upon management oversight.	No action currently planned for FY 2014. This area may be added to Audit Plan if sufficient hours become available. Otherwise, we will re-examine for inclusion in the Audit Plan for subsequent years.
HM	Inaccurate reporting &/or coding of data	Review accuracy and timeliness of data being reported.	Perform in FY 2014 as available resources permit

Athletics

HM	Adverse findings in financial audit	Audit performed by UT System Audit with follow-up in FY 2014	Assist UT System with follow-up efforts as directed
HM	Failure to monitor student-athlete eligibility status	Rely upon Compliance monitoring and management oversight	None in FY 2014
HM	Gender bias in programs, services and support for student athletes	Non-audit issue. Rely upon Compliance monitoring and management oversight.	None in FY 2014

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Appendix F
Fiscal Year 2014 Audit Plan
High Risks Not Covered

	Physical Plant		
HM	Failure to communicate emergency procedures	Non-audit and compliance issue. Rely upon management oversight.	None in FY 2014
	Human Resources Management		
HH	Staff recruitment and retention	Non-audit and compliance issue. Rely upon management oversight.	None in FY 2014
HM	Staff training	Rely upon Compliance monitoring and management oversight	None in FY 2014
	Strategic Planning		
HM	Failure to meet funding requirements	Rely upon management oversight.	None in FY 2014

TIER TWO ACTIVITIES:

Ranking	Risk	Explanation/Mitigation	Internal Audit Action
	Research		
HM	Ethics - Failure to bring research within the institutional control system	Rely upon Compliance monitoring and management oversight	None in FY 2014
HM	Ethics - Inappropriate use of human subjects	Rely upon Compliance monitoring and management oversight	None in FY 2014
HM	Ethics - Conflict of Interest	Rely upon Compliance monitoring and management oversight	None in FY 2014
HM	Intellectual Property - Inappropriate processing for intellectual property issues	Rely upon Compliance monitoring and management oversight	None in FY 2014
HM	Intellectual Property - Theft of intellectual property	Rely upon Compliance monitoring and management oversight	None in FY 2014
HM	Facilities - Unsafe research facilities and materials	Rely upon Compliance monitoring and management oversight	None in FY 2014
	Athletics		
HH	Athlete Eligibility - Inappropriate courses taken (not toward degree in years 3-5)	Rely upon Compliance monitoring and management oversight	None in FY 2014

UT PERMIAN BASIN
Appendix G
Fiscal Year 2014 Audit Plan
Available Audit Hours

Calculation of Available Hours

	Director	Internal Auditor II	Internal Auditor I	Total	%
Audit & Project	1,236	1,404	702	**3,342**	64%
General Administration	500	300	150	950	18%
Training/CPE	80	80	40	200	4%
Holidays	104	104	52	260	5%
Vacation & Sick Leave	160	192	96	448	9%
Total Hours	2,080	2,080	1,040	5,200	100%

Note: Director position filled June 2013. Budgeted for 12 months.

Internal Auditor II position filled on 8/9/13. Budgeted for 12 months.

Internal Auditor I position is currently vacant. Recruitment expected to commence by Nov. 2013 and expect to be filled by the end of February 2014. Budgeted for 6 months.

UT PERMIAN BASIN
Appendix H
Fiscal Year 2014 Audit Plan
Five Year History

Audits		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Key Financial & Operating Information:						
	Annual Financial Report	X	X	X	X	System
Institutional Compliance:						
	Follow Up Audit		X		X	
	Time and Effort Reporting					
	Enterprise Risk Management Process		X			
	Monitoring Plan and Sub-Certification Audit		X	X		
	Texas Higher Education Coordinating Board Facilities Audit		X			
	Cash Management and Handling Audit			X		
	Grant Compliance			X		
	Dependents Eligibility Audit				X	
Information Technology:						
	Information Technology Inventory and Laptop Encryption					System
	TAC 202 Information Security Audit		X		System	
	Information Security Program Index Audit			X		
	Information Technology Governance Audit				System	
Other High-Risk Areas:						
	Work-Study Employment Audit			X		
Core Business/Departmental:						
	President's Office	X	X	System	X	System
	Vice President for Student Services - Departmental	X				
	CEED - Departmental	X				
	PASS Office - Departmental	X				
	Police Department - Departmental	X				
	JBS Public Leadership Institute--Change in Management		X			
	JAMP	X		X		
	Admissions-Departmental			X		
	Procard			X		
Quality Assurance Reviews						
	Information Resources Department			X		
	Human Resources			X		
	Central Stores			X		
	Visual and Performing Arts			X		
	Vice President for Business Affairs			X		
	Small Business Development Center			X		
Special Projects						
	CO2 Conference Review		X			
	OSAT Review		X			
	ProCard Investigation	X				
	Peer Review	X				
	Contract review for VPBA			X		
	NCAA analytical review			X		
	Departmental Expenditure Review of Continuing Ed			X		
	Event Revenue and Expenditure Review for VPBA			X		
	Audit Finding Summary for VPAA			X		
	Accounting Director Transition				X	