



TEXAS WOMAN'S
UNIVERSITY™

FISCAL YEAR 2020

AUDIT PLAN

OFFICE OF AUDIT SERVICES





AUDIT SERVICES

TEXAS WOMAN'S UNIVERSITY

September 4, 2019

Carine M. Feyten, Ph.D., Chancellor and President,
Members of the Board of Regents:

We are pleased to submit the annual internal audit plan for Texas Woman's University (TWU). The TWU Finance and Audit Committee and the Board of Regents approved the plan on August 9, 2019 . As required by Texas Government Code, Section 2102.015, we are required to post this plan on our website at twu.edu/audit-services.

In addition, the Texas Internal Audit Act requires that the Board be notified of deviations from the prior years audit plan. The department had an overall completion rate of 87 percent for the prior year's audit plan. This communication serves as notice that the consulting review - Decentralized IT Organization and Operations was carried forward to fiscal year 2020. One open item from fiscal year 2019 relates to finalizing the report for the audit related to Tuition. We anticipate finalizing the report by the end of September.

We appreciate the support that you, executive management, and the Finance and Audit Committee offer us in the performance of our responsibilities at TWU.

Ali Subhani, CIA, CISA, GSNA
Director of Audit Services

Plan Distribution:

Texas Woman's University (TWU):

- Lewis Benavides, Senior Associate Vice President and Chief Human Resources Officer
- Katherine Antwi Green, General Counsel and Associate Vice President
- Christopher Johnson, Chief of Staff
- Carolyn Kapnius, Ph.D, Interim Provost and Vice President of Academic Affairs
- Randall Langston, Ph.D, Vice President of Enrollment Management
- Monica Mendez-Grant, Ed.D, Vice President for Student Life
- Cindy Pollard, Associate Vice President of Marketing and Communications
- Kimberly Russell, Ed.D, Vice President for University Advancement
- Jason Tomlinson, Vice President of Finance and Administration

State of Texas Agencies

- Governor's Office of Budget and Planning
- Legislative Budget Board
- State Auditor's Office
- Sunset Advisory Commission

Members of the TWU Board of Regents:

- Regent Bernadette Coleman
- Regent Carlos Gallardo
- Regent Janelle Shepard
- Regent Jill Jester
- Regent Kathleen Wu
- Regent Mary Wilson
- Regent Robert Hyde
- Regent Stacie McDavid
- Regent Teresa Doggett
- Student Regent Lexi D'Abrosca

AN EQUAL EMPLOYMENT/AFFIRMATIVE ACTION UNIVERSITY



METHODOLOGY

The Fiscal Year 2020 audit plan was prepared as required by the Texas Internal Auditing Act (Government Code 2102). The plan was prepared by identifying auditable areas of the University. The auditable areas are identified by reviewing budgetary information, the TWU website, information from the Association of College and University Auditors (ACUA), The Institute of Internal Auditors (IIA), and other institutions of higher education in Texas.

A request to complete a survey was sent out to institutional stakeholders at the three locations. In addition, a survey was all sent senior leadership to identify priorities for institutional leadership. A Risk Assessment was then conducted of the auditable areas based on 5 risk factors detailed below [F1 - F5] in Figure 1. These risk factors are established based on information from peers, ACUA, IIA, and professional judgment. Each factor is given a risk rating (RR) which indicates the risk for that factor to the auditable area. The risk ratings for the auditable area are then averaged by the number of factors to determine the impact scale.

Professional judgement was utilized to determine the likelihood of the auditable area experiencing a negative incident in the absence of adequate controls using the criteria defined in Figure 2.

The auditable areas were then sorted by risk score (highest to lowest) and plotted on a risk matrix comparable to Figure 3. Priority was given to focusing on critical and high risk areas. Low or Medium risk areas were not considered for inclusion on the audit plan.

ALLOCATION OF TIME

The Fiscal Year 2020 Audit Plan budget was based on available staff hours for 3 internal audit professionals with 2,080 available hours. The Plan includes risk-based and required audits (financial, operational, compliance, information technology), follow-up audits, investigations, reserves for management requests, and other projects and initiatives as outlined in the audit plan section.



Audit Plan

Fiscal Year 2020



RISK BASED AUDITS

- Advancement
- Construction *
- Financial Aid - Return to Title IV
- Institute for Women's Leadership
- Marketing
- Network Firewall
- Sponsored Projects
- Student Receivable



REQUIRED AUDITS

- Investments
- TEC 51.9337 Compliance



FOLLOW-UP

- Quarterly Follow-up audits



CARRY FORWARD

- HIPAA Compliance

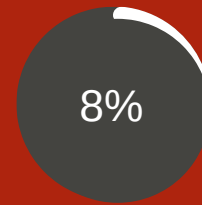
RESOURCE ALLOCATION



RISK BASED
AUDITS



REQUIRED
AUDITS



FOLLOW-UP



TRAINING

- Training & Development for departmental staff



FIGURE 1

RISK RATING DEFINITIONS

	Low	Moderate	Significant	Severe	Catastrophic
Resources at Risk	<\$25k in impact to the institution	>\$25k - <\$100k in impact to the institution	>\$100k- <\$500k in impact to the institution	>\$500k- <\$1M in impact to the institution	>\$1M in impact to the institution
Reputation	No impact on reputation	Impact is isolated to a small group. Damage is reversible.	Negative impact is departmental, is in the public domain, but with limited publicity.	Negative impact is regional with widespread publicity.	Long-term / irreparable damage. Negative impact is state wide or national and is widely publicized.
Years Since Last Audit	A review of the area or activity took place <6 months ago.	A review of the area or activity took place within the past 2 years	A review of the area or activity took place within the past 3 years	A review of the area or activity took place within the past 5 years	A review of the area has not been conducted within the past 5 years.
Organizational Changes	Little to no organizational changes.	Transition of a Manager within an organizational unit.	Transition of a Director level or above within an organizational unit.	Implementation of a new process/technology that has departmental wide impact or transition of a Vice President or Dean.	Implementation of a new process/technology that has a university wide impact.
Regulatory Compliance	No breaches of regulatory or contractual obligations	Breaches of regulatory or contractual obligations are confined to an isolated incident or incidents. Not systemic.	Breaches of regulatory or contractual obligations with costs to the institution and increased scrutiny from regulators.	Regulatory censure or action. Significant breach of rules or contract. Possibility of action against specific member(s) of the senior management team.	Public regulatory fines or censure, or major litigation potential. Possibility of imprisonment for senior management.

FIGURE 2

LIKELIHOOD DEFINITIONS

	Rare	Infrequent	Occasional	Frequent	Imminent
Frequency	In more than / every 5 years	Within the next / every 3 to 5 years	Within the next / every 1 to 3 years	Within the next / every 1 year	Within the next / every Quarter



FIGURE 3

L I K E L I H O O D	5- Imminent	Low	Moderate	High	Critical	Critical
	4- Frequent	Low	Moderate	High	High	Critical
	3- Occasional	Very Low	Low	Moderate	High	High
	2- Infrequent	Very Low	Very Low	Low	Moderate	Moderate
	1- Rare	Very Low	Very Low	Low	Low	Moderate
		1-Minor	2- Moderate	3- Significant	4-Severe	5-Catastrophic
		I N H E R E N T R I S K				