



ANNUAL AUDIT PLAN

FOR FISCAL YEAR 2021

OFFICE OF AUDIT SERVICES



November 18, 2020

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 November 13, 2020. As required by Texas Government Code, Section 2102.015, we are required to post this plan on our website at twu.edu/audit-services.

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

Snarm Down

Shannon South, CPA
Director of Audit Services

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METHODOLOGY

The Fiscal Year 2021 audit plan was prepared using a risk-based approach 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 risk assessment was conducted of the auditable areas based on 5 risk factors detailed below in Figure 1 and likelihood detailed in Figure 2. These risk factors are established based on information from peers, ACUA, IIA, and professional judgement. The relative risk for each auditable area was assessed on a judgmental basis by assigning a risk rating that 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 score. Risk scores were then evaluated 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.

To obtain additional insight and to validate the audit plan, we conducted discussions with senior leadership and management to identify reputation factors, regulatory changes, organization shifts, new initiatives and deployment of new systems or technology tools.

The audit plan focuses on delivering value to TWU with an emphasis on the following risk areas: strategic, operational, financial, compliance, and IT. Critical areas for consideration in the core audit plan include, but are not limited to:

- Academic Units
- Advancement
- Auxiliary Enterprises and Athletics
- Campus Safety and Security
- Enrollment Services
- Facilities and Operations

- Financial Management
- Human Resources
- Information Technology
- Research
- Student Services

If topics emerge during the audit plan period that require more attention, the plan is designed to be flexible and can be adjusted to accommodate these needs. In addition, as each audit is undertaken, risks will be re-evaluated to ensure proper audit coverage with consideration of confidentiality, integrity, and availability.

The Fiscal Year 2021 Audit Plan budget was based on available staff hours for 3 internal audit professionals. The Plan includes risk-based and required audits, follow-up audits, reserves for management requests, and other projects and initiatives as outlined in the audit plan section.

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AUDIT PLAN FISCAL YEAR 2021



RISK-BASED AUDITS

- Construction
 In progress, FY 2020 carry-forward
 Outsourced
- Research and Sponsored Projects
 FY 2020 carry-forward
- Network Firewall
 FY 2020 carry-forward
- Student Receivable FY 2020 carry-forward
- CARES Act Compliance



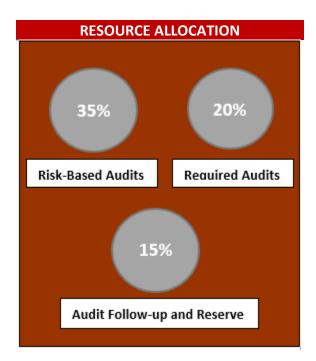
REQUIRED AUDITS

- Investments
- Texas Education Code 51.9337
 Compliance
- Texas Administrative Code 202 Compliance



AUDIT FOLLOW-UP AND RESERVE

- Follow-up Audits
- Investigations and Special Requests





DEVELOPMENT

- Training and Development for Departmental Staff
- Audit Department Operations

FIGURE 1

	IMPACT DEFINITIONS						
Risk Factors	Minor	Moderate	Significant	Severe	Catastrophic		
Resources at Risk	<\$25k in impact to the University	>\$25k - <\$100k in impact to the University	>\$100k - <\$500k in impact to the University	>\$500k - <\$1M in impact to the University	>\$1M in impact to the University		
Reputation No impact on reputation Years Since Last Audit A review of the area or activity took place <6 months ago		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		
		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 too place within the past 5 years	A review of the area or activity 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 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 University 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	

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FIGURE 3

			INHERENT R	ISK		
L	5 – Imminent	Low	Moderate	High	Critical	Critical
K	4 – Frequent	Low	Moderate	High	High	Critical
E L	3 – Occasional	Very Low	Low	Moderate	High	High
1	2 – Infrequent	Very Low	Very Low	Low	Moderate	Moderate
О	1 - Rare	Very Low	Very Low	Low	Low	Moderate
O D		1 – Minor	2 – Moderate	3 – Significant	4 – Severe	5 - Catastrophic
IMPACT						