



**TEXAS WOMAN'S**  
UNIVERSITY™

## **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](http://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.

Shannon South, CPA  
Director of Audit Services

**Report Distribution:**

<b>Texas Woman's University (TWU)</b>	<b>State of Texas Agencies:</b>	<b>Members of the TWU Board of Regents:</b>	
Lewis Benavides, Senior Associate VP and Chief Human Resources Officer	Governor's Office of Budget and Planning Legislative Budget Board	Regent Bernadette Coleman Regent Carlos Gallardo	Regent Mary Wilson Regent Robert Hyde
Katherine Antwi Green, General Counsel and Associate VP	State Auditor's Office Sunset Advisory Commission	Regent Janelle Shepard Regent Jill Jester	Regent Stacie McDavid Regent Teresa Doggett
Christopher Johnson, Chief of Staff		Regent Kathleen Wu	Student Regent Dawna-Diamond Tyson
Carolyn Kapinus, Ph.D., Executive Vice President for Academic Affairs and Provost			
Monica Mendez-Grant, Ed.D., VP for Student Life			
Cindy Pollard, Associate VP of Marketing and Communications			
Kimberly Russell, Ed.D., Vice President for University Advancement			
R. Jason Tomlinson, Vice President of Finance and Administration			

**Office of Audit Services**

P.O. Box 425587 | Denton, TX 76204 | 940 898 3260 | [twu.edu/audit-services](http://twu.edu/audit-services)

## 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.

### Office of Audit Services

P.O. Box 425587 | Denton, TX 76204 | 940 898 3260 | [twu.edu/audit-services](http://twu.edu/audit-services)

## 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



### AUDIT FOLLOW-UP AND RESERVE

- Follow-up Audits
- Investigations and Special Requests



### REQUIRED AUDITS

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

### RESOURCE ALLOCATION



### DEVELOPMENT

- Training and Development for Departmental Staff
- Audit Department Operations

**Office of Audit Services**

**FIGURE 1**

IMPACT DEFINITIONS					
Risk Factors	Minor	Moderate	Significant	Severe	Catastrophic
<b>Resources at Risk</b>	<\$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
<b>Reputation</b>	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
<b>Years Since Last Audit</b>	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 or activity has not been conducted within the past 5 years
<b>Organizational Changes</b>	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
<b>Regulatory Compliance</b>	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 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
<b>Frequency</b>	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

**Office of Audit Services**

P.O. Box 425587 | Denton, TX 76204 | 940 898 3260 | twu.edu/audit-services

**FIGURE 3**

INHERENT RISK						
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
IMPACT						

Office of Audit Services

P.O. Box 425587 | Denton, TX 76204 | 940 898 3260 | twu.edu/audit-services