University of Texas
of the Permian Basin

UTPB

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN™

AUDIT PLAN
Fiscal Year 2016

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 2015-16 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 2015-16. 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 2015-16 (Appendix A) 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 (Risk List). The Risk List identifies those risks, which are then categorized by potential to impact the University's strategic goals and objectives. The different categories of potential impact are critical, high, moderate and low. This information is then used to prepare the Audit Plan, which also includes required audits.

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, 2015, 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
> Dr. Daniel Heimmermann, Provost and Vice President for Academic Affairs
> Mark McGurk, CPA, Vice President for Business Affairs
> Teresa Sewell, Senior Associate Vice President for Student Services
> Dr. Juli Ratheal-Burnett, Assist. Vice President of Research & Dean of Graduate
>   Studies
> Caron Perkins, Director of Human Resources
> Director of Accounting (vacant)
> Don Wood, external member, Audit Committee Chair
> Peggy Dean, CPA, external member

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 2014-15 continued to have staffing changes regarding the internal audit function at UTPB. The position of Internal Auditor II became vacant at the beginning of April 2015, and continues to be vacant at this time. The other two positions have been filled for the entire fiscal year. Consequently, the proposed budget for fiscal year 2015-16 includes all three positions, with the vacant Internal Auditor position expected to be filled for nine months out of the fiscal year. The calculation of 4,080 available audit hours is presented in Appendix C.

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, 2015
Audit procedures, as directed by UT System and the external auditor, Deloitte Touche, will be performed for the UT Systemwide audit of the combined Annual Financial Report (AFR). The Office of Internal Audit will assist the external auditors with fieldwork for the FY 2015 AFR during the fall and winter of 2015. Interim field work for the FY 2016 AFR is expected to take place in the summer of 2016.

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 2016 with UTPB providing coordination and assistance as required.

Executive Travel and Entertainment Expenses

In FY 2012-13, UT System began requiring all institutions to conduct an audit of the travel and entertainment expenses of executive management. We will conduct this audit in FY 2016 as required.

UT Share Post-Implementation Review

Internal Audit will review procedures and validate data as directed by UT System Audit Office regarding implementation of PeopleSoft.

Monitoring Plan and Segregation of Duties

This audit is to determine if the UTPB Accounting Department has developed and maintained an adequate monitoring plan over subcertification of expenditures, and to verify the assertions on segregation of duties and account reconciliations. It is required to be performed annually within 60 days of the end of the fiscal year, per UTS 142.1.

NCAA Academic Integrity

Internal Audit will perform procedures to determine if Athletics has implemented required policies and procedures to ensure academic integrity with regard to athletes.

Externally Required Audits

TAC 202 System Security

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. This audit was last performed as part of the FY 2014 Audit Plan. Consequently, this audit will be required in FY 2016.

Benefits Proportionality

Last year, the Governor had requested all public universities in the state to perform a review of the calculations related to the proportional funding of employee benefits using state funds. Consequently, we performed this audit in FY 2015 as directed by UT System. In the subsequent legislative session, a requirement was made for a three-year audit, covering fiscal years 2012-2014, using a methodology approved by the State Auditor's Office (SAO). Therefore, UT System will be working with the SAO to formulate a mutually agreed upon scope and audit procedures before we begin this audit.

Follow-up of Prior Recommendations and Reserve

Follow-up on Outstanding Audit Recommendations

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 2015. Consequently, a commensurate number of hours have been set aside to follow-up on these in FY 2016.

Reserve

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.

FY 2016 Audit Plan Engagements	Original Budget	Percent of Total	Description
Financial Audits and Projects			
Annual Financial Report - FY 2015	100		Required annually. Perform audit procedures at direction of external auditor.
Annual Financial Report - Interim Procedures - FY 2016	40		Required annually. Perform audit procedures at direction of external auditor.
UTS 142.1 - Monitoring Plan and Segregation of Duties - FY 2015	160		Required annually. Determine if Accounting is following its submitted Monitoring Plan for FY 2015, with regard to the review of account subcertifications; support for expenditures; and segregation of duties.
Financial Subtotal	**300**	**7.4%**	
Operational Audits and Projects			
Presidential Travel and Entertainment Expense - FY 2015	10		Required. Provide assistance to UT System Audit Office, as requested, to determine if the President's travel, entertainment and housing expenditures conform to UT System and State policy.
Executive Travel and Entertainment Expense - FY 2015	240		Required annually. Determine if travel and entertainment expenditures, incurred by individuals that report directly to the President, conform to UT System and State policy.
Donations	240		Risk Based. Verify that donations are being used as intended by the donor.
Contract Management	400		Risk Based. Review contract monitoring and purchasing procedures.
Grants Management/Time and Effort	360		Risk Based. Determine if funds are being used, and grants are being administered, in accordance with grant requirements.
Operational Subtotal	**1250**	**30.6%**	
Compliance Audits and Projects			
Benefits Proportionality - FY's 2012, 2013 and 2014	400		Required by State of Texas. Verify that calcluations used to determine benefits proportionality rates for fiscal years 2012, 2013 and 2014 are materially correct.
State of Texas Federal Single Audit	20		Required. Provide assistance to the State Auditor's Office, as requested, in regard to their auditing of specific Federal programs under the State of Texas Single Audit, as required by OMB Circular A-133.

FY 2016 Audit Plan Engagements	Original Budget	Percent of Total	Description
NCAA - Academic Integrity	240		Required by UT System. Determine if Athletics has implemented required policies and procedures to ensure academic integrity with regard to athletes.
Compliance Subtotal	**660**	**16.2%**	
Information Technology Audits and Projects			
TAC 202 System Security - FY 2015	240		Required bi-annually. Determine if system security controls are in place as required by Texas Administrative Code 202.
UT Share - UT System	40		Perform work and obtain updates on UT Share issues.
Information Technology Subtotal	**280**	**6.9%**	
Follow Up			
Follow-up on outstanding audit findings and recommendations	180		To perform follow-up work and determine status on outstanding audit recommendations
Follow Up Subtotal	**180**	**4.4%**	
Development - Operations			
Annual Risk Assessment and Audit Plan	240		Preparation of the annual risk assessment and audit plan.
Annual Internal Audit Report - FY 2015	40		Preparation of the annual internal audit report covering the activities of FY 2015. Required by November 1st of each year, per the Texas Internal Auditing Act (Chapter 2101 Government Code)
Internal Quality Assurance Activities	40		Review internal audit procedures, documentation and overall quality control practices in order to assure conformance to Institute of Internal Auditors (IIA) standards.
Training Provided by Internal Audit	20		Provide training on internal controls as necessary.
Internal Audit Committee	160		Preparation for, and participation in audit committee meetings by Director and staff. Includes meetings with the Audit Chair, President, and other committee members.
Compliance Committee	10		Participation by the Director.
TeamMate, IDEA, website development/maintenance	80		Various activities in regard to TeamMate or other audit software, data analysis techniques, and updating of the internal audit website.
Performance Metrics - UT System	20		Preparation of quarterly performance metrics as required by UT System.

FY 2016 Audit Plan Engagements	Original Budget	Percent of Total	Description
Other Required Work - UT System	60		Other required work, as necessary, throughout the year.
Outside Audit Coordination/Tracking	80		Communication between affected University departments and outside auditors. Includes the monitoring of the results of outside audits, and monitoring the status of audit recommendations.
Development - Operations Subtotal	**750**	**18.4%**	
Development - Initiatives and Education			
UT System Council Meetings	40		Attend meetings of the UT System Audit Council as required.
Professional Organizations	20		Participation by the Director and staff in professional organizations such as the Institute of Internal Auditors (IIA), American Institute of Certified Public Accountants (AICPA), Association of Certified Fraud Examiners (ACFE), and the Association of College and University Auditors (ACUA)
Continuing Professional Education	120		Required continuing professional education (CPE) in order to maintain certifications.
Other Training	120		Other necessary training throughout the year.
Development - Initiatives and Education Subtotal	**300**	**7.4%**	
Reserve			
Special Requested Audits / Consulting Projects	360		Special requests from the President, executive management, audit committee, unanticipated events, investigations, and to-be-determined UT System engagements.
Reserve Subtotal	**360**	**8.8%**	
Total Budgeted Hours	**4080**	**100.0%**	

Risk Definitions:

Vulnerability - An observation on the vulnerability of the objective, as well as maturity of management oversight and operations alignment

Likelihood - The probablility of the risk actually occurring

Impact - The consequence of risk occurrence in public perception; organizational operations; and financial considerations

Risk Score - The overall capability of the risk in preventing achievement of the objective

	Objective at Risk	Department	Detailed Risk Description	Vulnerability	Likelihood	Impact	Risk Score	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
1	Increase in institutional reputation and brand awareness and concurrent growth in student enrollment and semester credit hours	President's Office	Funding requirements for both current and future needs are not attained	High	Moderate	High	Critical	2. Finance	NO		Rely upon management oversight
2	Increase in institutional reputation and brand awareness and concurrent growth in student enrollment and semester credit hours	Provost-VP of Academic Affairs	Website and social media procedures, controls and information are not current and are not utilized to its fullest extent to maximize the image of the university	High	High	High	High	13.3.1. Social Media	NO		Rely upon management oversight
3	Increase in institutional reputation and brand awareness and concurrent growth in student enrollment and semester credit hours	Athletics	Implementation of football and expansion of other sports is not successful	High	Moderate	High	High	12.10. Athletics	NO		Rely upon management oversight
4	Strategically award scholarships and other financial aid in an effective manner in order to attract and retain students	Provost / Student Services	Scholarships and Federal, state and other awards/financial aid are not effectively combined and leveraged	High	High	High	Critical	15.6. Financial Aid	NO		Rely upon management oversight
5	Strategically award scholarships and other financial aid in an effective manner in order to attract and retain students	Student Services	Notices of acceptance letters and financial aid packages are not transmitted in a timely manner	High	High	High	High	15. Enrollment Management	NO		Rely upon management oversight
6	Strategically award scholarships and other financial aid in an effective manner in order to attract and retain students	Student Services	More scholarship funds are awarded than the university has available	High	High	Low	Moderate	15.6. Financial Aid	NO		Rely upon management oversight due to low or moderate risk
7	Maintain integrity of financial data	Business Affairs	Accurate and timely annual financial reports are not prepared in accordance with UT System and State requirements	High	Moderate	High	Critical	2.1. Financial Reporting	YES	Annual Financial Report	Required audit; Internal Audit provides assistance for outside auditor, Deloitte Touche.
8	Maintain integrity of financial data	Business Affairs	Established procedures and internal controls to adequately safeguard and account for cash and other institutional resources are not in operation	High	Moderate	High	High	2.1. Financial Reporting	NO		Audit performed in FY 2015
9	Maintain integrity of financial data	Business Affairs	Current information is not maintained on inventory and capital assets	Moderate	Moderate	Moderate	Moderate	2.1. Financial Reporting	NO		Area tested as part of the audit of the AFR in FY 2015. Also, laptop and tablet inventory audit completed in FY 2015
10	Maintain integrity of financial data	Business Affairs	Accurate records on accounts receivable and doubtful accounts are not maintained	High	Moderate	High	High	2.3. Accounts Receivable	NO		Rely upon management oversight
11	Maintain integrity of financial data	Business Affairs	Travel/entertainment expenditures do not conform to UT System and State policy	Moderate	Moderate	Moderate	Moderate	2.5. Travel and Entertainment	YES	Executive Travel and Entertainment	Required audit

#	Objective	Department	Risk					Audit Area	Required		Notes
12	*Maintain integrity of financial data*	Business Affairs	Account subcertifications and support for expenditures are not reviewed in a timely manner	High	Moderate	Moderate	Moderate	2.7. Accounts Payable/Disbursements	YES	Monitoring Plan and Segregation of Duties	Required audit
13	*Maintain integrity of financial data*	Business Affairs	Proper controls over accounts payable and other disbursements are not implemented	High	Moderate	High	High	2.7. Accounts Payable/Disbursements	NO		Risk based. Limited testing to be included as part of the audit of the Monitoring Plan and Segregation of Duties.
14	*Maintaining accuracy and confidentiality of student records*	Registrar	Records are released to unauthorized individuals	Low	Moderate	Low	Low	15.5. Student Records - Registrar	NO		Rely upon management oversight due to low or moderate risk
15	*Successfully implementing PeopleSoft academic advising and student records modules*	Undergraduate Success	Students and faculty have difficulty logging onto and using the program	High	Moderate	Moderate	Moderate	15.2. Enrollment and Registration	NO		Rely upon management oversight due to low or moderate risk
16	*Expansion of athletic programs and compliance with NCAA requirements*	Athletics	NCAA rules are not adhered to regarding recruitment of athletes and involvement by outside parties	High	Moderate	Moderate	Moderate	12.10. Athletics	NO		Rely upon management oversight and compliance monitoring
17	*Expansion of athletic programs and compliance with NCAA requirements*	Athletics	Athletic facilities are not adequate to meet overall program expansion, addition of football and to provide for safety of participants and spectators	High	Moderate	Moderate	Moderate	12.10. Athletics	NO		Rely upon management oversight due to low or moderate risk
18	*Expansion of athletic programs and compliance with NCAA requirements*	Athletics	Student athlete grades, academic integrity, and eligibility status are not effectively monitored on an ongoing basis	High	Moderate	Moderate	Moderate	12.10.1. Eligibility	YES	Academic Integrity	Audit required by UT System / Rely upon management oversight and compliance monitoring
19	*Expansion of athletic programs and compliance with NCAA requirements*	Athletics	Close oversight is not maintained over increase in athletic resources, budgets and additional staff	High	Moderate	Moderate	Moderate	12.10. Athletics	NO		Rely upon management oversight due to low or moderate risk / audited by UT System on bi-annual basis
20	*Expansion of athletic programs and compliance with NCAA requirements*	Athletics	Youth sports camps are not operated in accordance with NCAA regulations	Low	Low	Low	Low	12.10. Athletics	NO		Rely upon management oversight due to low or moderate risk
21	*Compliance with Title IX requirements*	Athletics	Gender equity is not maintained in programs, services and support for student athletes	High	Moderate	High	High	1.4. Ethics & Standards of Conduct	NO		Rely upon management oversight and compliance monitoring
22	*Compliance with Title IX requirements*	Athletics	Ongoing staff training on Title IX compliance is not provided with regard to athletics/NCAA	High	Moderate	High	High	1.4. Ethics & Standards of Conduct	NO		Rely upon management oversight and compliance monitoring
23	*Compliance with Title IX requirements*	Business Affairs	Sexual harrassment claims are not properly investigated and reported	High	Moderate	High	High	1.4. Ethics & Standards of Conduct	NO		Rely upon management oversight and compliance monitoring
24	*Compliance with Title IX requirements*	Business Affairs	Employee training and procedure updates regarding Title IX compliance are not provided	High	Moderate	High	High	1.4. Ethics & Standards of Conduct	NO		Rely upon management oversight and compliance monitoring
25	*Compliance with Title IX requirements*	Business Affairs	Information is not disseminated to staff and students regarding Title IX compliance	High	Moderate	High	High	1.4. Ethics & Standards of Conduct	NO		Rely upon management oversight and compliance monitoring
26	*Effective governance and accountability is maintained*	President's Office	Strategic plans and organizational goals and objectives are not properly aligned and not updated on a regular basis	High	Moderate	High	High	1. Governance	NO		Rely upon management oversight
27	*Accurate reporting of enrollment, semester credit hours, and other student and institutional data as required by outside agencies*	Institutional Research, Planning, and Effectiveness	Inaccurate reporting to the THECB and to UT System with new system in PeopleSoft, which is in testing phase, and which is not yet providing accurate reports, and is expected to be implemented in FY 2016	High	High	Moderate	High	3.4.4. Coordinating Board Reporting	NO		Rely upon management oversight

28	*Accurate reporting of enrollment, semester credit hours, and other student and institutional data as required by outside agencies*	Institutional Research, Planning, and Effectiveness	Inaccurate reporting to the Federal government (Integrated Post-Secondary Educational Data System - IPEDS) with new system in PeopleSoft, which is in testing phase, and which is not yet providing accurate reports, and is expected to be implemented in FY 2016	High	High	Moderate	High	3.4.3. Institutional Effectiveness & Tracking - Assessment Reporting	NO			Rely upon management oversight
29	*Maintain program accreditations and the university's regional accreditation with SACS*	Institutional Research, Planning, and Effectiveness	SACS accredition is not achieved due to inaccurate or incomplete fifth-year report or report not being submitted	Low	Low	High	Moderate	18.1. Accreditation	NO			Rely upon management oversight due to low or moderate risk
30	*Maintain program accreditations and the university's regional accreditation with SACS*	Institutional Research, Planning, and Effectiveness	Accreditation is not maintained for those programs currently accredited	Low	Moderate	High	Moderate	18.1. Accreditation	NO			Rely upon management oversight due to low or moderate risk
31	*Procurement of goods and services under UT System and State of Texas laws and regulations*	Purchasing	Employees with purchasing authority have a perceived or actual conflict of interest	Low	Low	Moderate	Low	8. Purchasing/Supply Chain	NO			Rely upon management oversight due to low or moderate risk
32	*Procurement of goods and services under UT System and State of Texas laws and regulations*	Purchasing	Failure to select qualified bidder	Low	Low	Low	Low	8.3. Bidding	NO			Rely upon management oversight due to low or moderate risk
33	*Procurement of goods and services under UT System and State of Texas laws and regulations*	Purchasing	Inefficient and ineffective purchasing function	Low	Low	High	Moderate	8. Purchasing/Supply Chain	NO			Rely upon management oversight due to low or moderate risk
34	*Procurement of goods and services under UT System and State of Texas laws and regulations*	Purchasing	Physical safeguarding of stock and storerooms is inadequate	Moderate	Moderate	Low	Moderate	8.2. Receiving & Warehousing	NO			Rely upon management oversight due to low or moderate risk
35	*Procurement of goods and services under UT System and State of Texas laws and regulations*	Purchasing	Policies and procedures do not exist for all areas of the purchasing process	Low	Low	Moderate	Low	8. Purchasing/Supply Chain	NO			Rely upon management oversight due to low or moderate risk
36	*Procurement of goods and services under UT System and State of Texas laws and regulations*	Purchasing	Procurement cards are misused	High	High	Moderate	High	8. Purchasing/Supply Chain	NO			Rely upon management oversight.
37	*Procurement of goods and services under UT System and State of Texas laws and regulations*	Purchasing	Purchases are not competitively bid	Low	Low	Moderate	Low	8.3. Bidding	NO			Rely upon management oversight due to low or moderate risk
38	*Procurement of goods and services under UT System and State of Texas laws and regulations*	Purchasing	Purchases, including individual and standing purchase orders, do not follow established approval processes	Low	Low	Low	Low	8. Purchasing/Supply Chain	NO			Rely upon management oversight due to low or moderate risk
39	*Procurement of goods and services under UT System and State of Texas laws and regulations*	Purchasing	Purchasing technology is not adequate to meet the needs of the purchasing function	Moderate	Moderate	Low	Moderate	8. Purchasing/Supply Chain	NO			Rely upon management oversight due to low or moderate risk
40	*Procurement of goods and services under UT System and State of Texas laws and regulations*	Purchasing	Vendor contracts are not properly monitored or administered	High	Moderate	High	High	8.4. Contracting	YES	Contract Management	Risk-based audit

#	Objective	Department	Risk					Category	Audit	TAC 202	Comments
41	*Procurement of goods and services under UT System and State of Texas laws and regulations*	Purchasing	Sole source vendors are not appropriately justified	Low	Low	Moderate	Low	8.3. Bidding	NO		Rely upon management oversight due to low or moderate risk
42	*Procurement of goods and services under UT System and State of Texas laws and regulations*	Purchasing	GPO contracts are used without competitive process	Moderate	Low	Low	Low	8.3. Bidding	NO		Rely upon management oversight due to low or moderate risk
43	*Provide uninterrupted communication and network services at both Midland and Odessa campuses*	IRD	Connection with network is interrupted due to fire or some other event at the CEED Communication Room, eliminating services at Midland campus and eliminating backup capability for Odessa campus	High	Low	High	High	3.3. IT Infrastructure	NO		Rely upon management oversight
44	*Provide uninterrupted communication and network services at both Midland and Odessa campuses*	IRD	Communications link between Midland and Odessa campuses is damaged or severed	High	Moderate	High	High	3.3. IT Infrastructure	NO		Rely upon management oversight
45	*Provide uninterrupted communication and network services at both Midland and Odessa campuses*	IRD	Operations at the Data Center will be interrupted due to water leakage	High	Low	High	High	3.3. IT Infrastructure	NO		Rely upon management oversight
46	*Maintain IT systems, equipment and confidential student and employee data that are secure from unauthorized use, outside hacking or other outside attacks*	IRD	Adequate physical security controls are not maintained, leading to loss of confidential data, outside hacking, downloading of malware or unauthorized use	High	Moderate	High	High	3.2.1. System Access	YES	TAC 202	Will follow-up on progress from the prior audit recommendations as part of the current year TAC 202 system security audit, which is required every two years
47	*Maintain IT systems, equipment and confidential student and employee data that are secure from unauthorized use, outside hacking or other outside attacks*	IRD	Updated listing of all desktop and laptop computers is not maintained	Low	Moderate	High	Moderate	3.1.1. IT Asset Management	YES	TAC 202	Required audit
48	*Maintain IT systems, equipment and confidential student and employee data that are secure from unauthorized use, outside hacking or other outside attacks*	IRD	All laptops and other mobile devices are not encrypted	Low	Moderate	High	Moderate	3.3.5. Mobile Devices and Portable Data Storage	YES	TAC 202	Required audit
49	*Maintain IT systems, equipment and confidential student and employee data that are secure from unauthorized use, outside hacking or other outside attacks*	IRD	Updated contingency plans are not maintained for disaster recovery/business continuity	High	Moderate	High	High	3.2.2. Disaster Recovery/Business Continuity/Emergency Preparedness	YES	TAC 202	Will follow-up on progress from the prior audit recommendations as part of the current year TAC 202 system security audit, which is required every two years
50	*Recruit and retain qualified faculty and staff on an institution-wide basis.*	Human Resources	Benefit and compensation levels are not commensurate with local job market and cost of living	High	High	High	High	5. Human Resources	NO		Rely upon management oversight
51	*Recruit and retain qualified faculty and staff on an institution-wide basis.*	Human Resources	Effective and relevant training and individual development is not provided to faculty and staff on an ongoing basis	Moderate	High	High	High	5.6. Training	NO		Rely upon management oversight and compliance monitoring
52	*Comply with UT System, State and Federal requirements regarding human resources*	Human Resources	Timely and accurate criminal background checks are not performed of prospective employees	Low	High	High	Moderate	5. Human Resources	NO		Rely upon management oversight due to low or moderate risk

#	Objective	Department	Risk					Reference	Audit?	Area	Approach
53	*Maximize donor partnerships within the local area*	University Development	Accurate donor records are not maintained, and donor objectives and requirements are not met	High	Moderate	High	High	14.1. Gifts and Endowments	YES	Donations	Risk-based audit
54	*Maximize donor partnerships within the local area*	University Development	Effective communications with donors and confidentiality of donor information is not maintained	High	Low	High	Moderate	14.1. Gifts and Endowments	NO		Rely upon management oversight due to low or moderate risk
55	*Effectively manage and maintain facilities on an ongoing basis that fully supports the university's functioning*	Physical Plant	Unsafe facilities due to maintenance / repairs not performed on a regular basis	Moderate	Moderate	High	Moderate	6.3. Maintenance	NO		Rely upon management oversight due to low or moderate risk
56	*Process admissions in a timely and effective manner*	Admissions	Student applications are not processed in a timely manner	Low	Moderate	High	Moderate	15.1. Admissions	NO		Rely upon management oversight due to low or moderate risk
57	*Maximize research opportunities in a safe environment and comply with all grant, UT System, State and Federal requirements*	Research	Research facilities are not maintained in a safe manner/research procedures that promote safety are not implemented	Low	Low	High	Moderate	4.1. Research Administration	NO		Rely upon management oversight due to low or moderate risk
58	*Maximize research opportunities in a safe environment and comply with all grant, UT System, State and Federal requirements*	Research	Human research subjects are used in an unsafe manner or environment	Low	Low	High	Moderate	4.7. Human Subjects Research Program	NO		Rely upon management oversight due to low or moderate risk
59	*Maximize research opportunities in a safe environment and comply with all grant, UT System, State and Federal requirements*	Research	Animal research facilities and procedures are not adequately overseen and monitored	Low	Low	Moderate	Low	4.8. Animal Research Program	NO		Rely upon management oversight due to low or moderate risk
60	*Maximize grant and other outside funding opportunities and comply with all grant, UT System, State and Federal requirements*	Research	Time and effort reporting is not accurate	High	High	High	High	4.1.5. Accounting & Reporting	YES	Grants Management / Time and Effort Reporting	Risk based audit
61	*Maximize grant and other outside funding opportunities and comply with all grant, UT System, State and Federal requirements*	Research	Funds are not used in accordance with grant and Federal requirements	High	High	High	High	2.11. Grants and Contracts	YES	Grants Management / Time and Effort Reporting	Risk based audit
62	*Provide safe campus environment and activities for students, faculty and staff*	Student Services	Injury to students participating in intramurals	Moderate	Moderate	Low	Moderate	16.5. Recreation and Activities	NO		Rely upon management oversight due to low or moderate risk
63	*Provide safe campus environment and activities for students, faculty and staff*	Student Services	Student groups engage in hazardous travel or other activities	Moderate	Moderate	Moderate	Moderate	16.5. Recreation and Activities	NO		Rely upon management oversight due to low or moderate risk
64	*Provide safe campus environment and activities for students, faculty and staff*	Student Services	Misuse of recreation/gym facilities by unauthorized individuals	Moderate	Moderate	Moderate	Moderate	16.5. Recreation and Activities	NO		Rely upon management oversight due to low or moderate risk
65	*Provide safe campus environment and activities for students, faculty and staff*	Student Services	Operating expenditures for the Student Activities Center (SAC) exceed generated revenue, impacting services provided	High	High	Moderate	Moderate	16. Student Services	NO		Rely upon management oversight due to low or moderate risk
66	*Provide safe campus environment and activities for students, faculty and staff*	Student Services	Facilities and/or procedures do not promote safety of children in Child Care Center	Moderate	Low	High	Moderate	16. Student Services	NO		Rely upon management oversight due to low or moderate risk

67	*Provide safe campus environment and activities for students, faculty and staff*	Student Services	Facilities and/or procedures do not promote a safe living environment in Student Housing	Moderate	Low	High	Moderate	12.6. Student Housing	NO		Rely upon management oversight due to low or moderate risk
68	*Provide safe campus environment and activities for students, faculty and staff*	Arts and Sciences	Injury to students or faculty due to science labs and art studios are not maintained or used in a safe manner	Low	Moderate	High	Moderate	10.4. Environmental Health and Safety	NO		Rely upon management oversight due to low or moderate risk
69	*Provide safe campus environment and activities for students, faculty and staff*	Environmental Health & Safety	Emergency mitigation measures, response procedures, and training of staff are not current or have not been implemented	High	Moderate	High	High	10.3. Emergency Preparedness	NO		Emergency peer review to be conducted by UT System in FY 2015.
70	*Provide safe environment for students enrolled in STEM academy*	STEM Academy	Facilities and/or procedures do not promote student safety	Moderate	Low	High	Moderate	11. Public Services	NO		Rely upon management oversight due to low or moderate risk
71	*Maintain effective programs with regard dual credit and early college high school*	Continuing Education	Reduction in enrollment due to effective and continuing relationships not being adequately maintained with the school districts and parents	Moderate	Moderate	Moderate	Moderate	11. Public Services	NO		Rely upon management oversight due to low or moderate risk
72	*Provide and maintain effective online course offerings that enhance student enrollment and semester credit hours*	REACH	Online courses are not effectively offered or maintained resulting in a loss of additional students and/or an actual decrease in overall online enrollment	High	Moderate	High	High	18. Instruction	NO		Rely upon management oversight
73	*The Wagner-Noel Performing Arts Center (WNPAC) is effectively and efficiently managed and operated*	Public Affairs	The contractor does not provide an appropriate level or type of events in order to maximize revenues and enhance the reputation of UTPB	High	Low	Moderate	Moderate	12. Auxiliary Services	NO		Rely upon management and WNPAC finance committee oversight due to low or moderate risk; annual financial audits performed by outside auditor
74	*Provide safe environment for Nursing students and patients*	Nursing	Nursing students and patients are at risk due to improper supervision and procedures	Low	Low	Moderate	Low	18. Instruction	NO		Rely upon management oversight

UT Permian Basin
Available Audit Hours
FY 2016 Audit Plan

	Director	Senior Auditor I	Internal Auditor I	Total	%
Audit Hours	1,318	1,194	1,568	**4,080**	71%
Non-Audit Hours:					
General Administration	450	150	200	800	14%
Holidays	120	96	120	336	6%
Vacation & Sick Leave	192	120	192	504	9%
Total Available Hours	2,080	1,560	2,080	5,720	100%

Notes:

Audit hours now include Training/CPE hours, which was a separate row under General Administration in past years.

Total hours are based on the assumption of positions of Director and Internal Auditor I being filled for the entire year and the Senior Auditor I position not being filled until the end of the first quarter.

Vacation hours for the Senior Auditor I position also based upon not being eligible for vacation until completion of six month probationary period.

All other vacation and sick leave hours are budgeted at the normal accrual rates for the year.

Emergency leave hours, due to campus closure from inclement weather, are not budgeted.

Engagement	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Audits					
Annual Financial Report	X	X	System	X	X
Monitoring Plan and Segregation of Duties - UTS 142.1	X			X	X
Benefits Proportionality					X
Laptop and Tablet Inventory					X
Cash Management and Handling	X				X
Grant Compliance	X				
Dependent Eligibility		X			
Institutional Compliance Program	System				
Information Technology Inventory and Laptop Encryption			System		
TAC 202 System Security		System		X	
Information Security Program Index	X				
Information Technology Governance		System			
NCAA Compliance			System		
Work-Study Employment	X				
President's Travel and Entertainment Expenses	System	X	System	System	System
Executive Travel and Entertainment Expenses				X	X
JAMP	X				X
Admissions-Departmental	X				
Procard	X				
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					
External Quality Assessment				X	
Bank Reconciliation and Journal Entry Approvals Review					X
Contract review for VPBA	X				
NCAA analytical review	X				
Departmental Expenditure Review of Continuing Ed	X				
Endowment Fee Review				X	
Wagner-Noel Performing Arts Center Reconciliation				X	
Event Revenue and Expenditure Review for VPBA	X				
Accounting Director Transition		X			