The University of Texas
of the Permian Basin

AUDIT PLAN

Fiscal Year 2017

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 2017 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 2017. This audit plan allows the Institutional Chief Audit Executive 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 2017 (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, 2016, 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:

Don Wood, external member, Audit Committee Chair
Peggy Dean, CPA, external member
Christi Brown, CPA, external member
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
Lowell Ballard, Chief Information Officer
Cuca Franco, Interim Director of Accounting

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 2016 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. Recruitment to fill the position commenced immediately, but it was not filled until April 2016. The position has now been reclassified from Internal Auditor II to Senior Auditor I. The other two positions have been filled for the entire fiscal year. The Internal Auditor I position was reclassified to Internal Auditor II during the fiscal year. The other position is that of the Institutional Chief Audit Executive. As before, all positions are employees of UT System, and not of UTPB. Salaries and benefits are paid out of the UT System Audit Office budget.

The proposed budget for fiscal year 2017 includes all three positions expected to be filled for the entire fiscal year. The calculation of 6,240 available total hours, and 4,716 audit hours is presented in Appendix C. The amount of 4,716 audit hours represents 76% of total available hours. This is an increase from the prior year's budgeted amount of 71%.

Required Audits

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, 2016

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 2016 AFR during the fall and winter of 2016. Interim field work for the FY 2017 AFR is expected to take place in the summer of 2017.

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 2017 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. This audit will be conducted in FY 2017 as required, and will cover the FY 2016.

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.

Athletic Academic Integrity

Required by UT System, Internal Audit will perform procedures to determine if Athletics has implemented specified policies and procedures to ensure academic integrity with regard to athletes.

At this time, there are no known audits required in FY 2017 by external entities. However, this situation may change over the course of the fiscal year.

Consulting Projects

A small number of hours have been set aside in order to perform minor consulting activities, as needed throughout the year. Additional hours, should it become necessary, are available for transfer from Reserve.

Investigations

A small number of hours have also been set aside to conduct minor investigations and complaints, as needed. Again, should additional hours prove necessary, they are available for transfer from Reserve.

Follow-Up

Additional hours have been allocated to perform follow-up work and resolution on any outstanding audit recommendations. Follow-up of audit recommendations is conducted throughout the year and reported to the Audit Committee.

General Reserve

Hours have also been allocated for possible future engagements not included in this Audit Plan. These projects may be requested by the State of Texas, UT System, the University President, members of Executive Management and the Audit Committee. Reserve hours may also be utilized, if necessary, for those planned audits that exceed their budgeted amount.

FY 2017 Audit Plan Engagements	Original Budget	Percent of Total	Primary Taxonomy	General Objective/Description
Risk-Based Audits				
Contracts management	286		9.1. Contracting Oversight	Review overall policies, procedures and controls for managing and overseeing numerous contracts throughout the University. Identified as a High risk in the FY 2017 Risk Assessment.
Vendor contracts - food service	200		8.4. Contracting	Review vendor contract for food services. New contract in place and new dining hall in operation for FY 2017. Identified as a High risk in the FY 2017 Risk Assessment.
Donations	200		14.1.Gifts and Endowments	Review policies, procedures and controls for ensuring proper allocation and use of outside donations. Identified as a High risk in the FY 2017 Risk Assessment.
Admissions	200		15.1.Admissions	Review policies, procedures and controls over the admissions process.. Identified as a Critical risk in the FY 2017 Risk Assessment.
Financial Aid	240		15.6.Financial Aid	Review policies, procedures and controls over the financial aid process. Not part of the A-133 Single Audit over the use of Federal Financial Aid. Identified as a Critical risk in the FY 2017 Risk Assessment.
Departmental audits	500		2. Finance	Departmental audit to include review and testing of expenditures, cash receipts, time and leave documentation, contracts, grants, inventory and adherence to UT System and UTPB policies. At least 5 departments/offices expected to be audited. Areas to be audited included as both High and Medium risks in the FY 2017 Risk Assessment.
Carryforward audits from FY 2016	160		2. Finance	For completion of audits still outstanding at end of FY 2016.
Risk-Based Audits Subtotal	**1786**	**37.9%**		
Required Audits (Externally and Internally)				

UT Permian Basin
Appendix A - Audit Plan
FY 2017 Audit Plan

FY 2017 Audit Plan Engagements	Original Budget	Percent of Total	Primary Taxonomy	General Objective/Description
Annual Financial Report - FY 2016	120		2.1.1. Annual Financial Report	Required annually by UT System. Perform audit procedures at direction of external auditor.
Annual Financial Report - Interim Procedures - FY 2017	40		2.1.1. Annual Financial Report	Required annually by UT System. Perform audit procedures at direction of external auditor.
UTS 142.1 - Monitoring Plan and Segregation of Duties - FY 2016	160		2.7. Accounts Payable/Disbursements	Required annually by UT System. 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.
Presidential Travel and Entertainment Expense - FY 2016	10		2.5. Travel and Entertainment	Required by UT System. Provide assistance to UT System Audit Office to determine if the President's travel, entertainment and housing expenditures conform to UT System and State policy.
Executive Travel and Entertainment Expense - FY 2016	200		2.5. Travel and Entertainment	Required annually by UT System. Determine if travel and entertainment expenditures, incurred by individuals that report directly to the President, conform to UT System and State policy.
Athletics Academic Integrity	240		12.10. Athletics	Required annually by UT System. Determine if Athletics has implemented required policies and procedures to ensure academic integrity with regard to athletes.
State of Texas Federal Single Audit	20		2.1. Financial Reporting	Required by the State of Texas. 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.
Required Audits Subtotal	790	16.8%		
Consulting Projects				
As needed	120			
Consulting Subtotal	120	2.5%		

FY 2017 Audit Plan Engagements	Original Budget	Percent of Total	Primary Taxonomy	General Objective/Description
Investigations				
Investigations, complaints, hotline tips	80			Perform minor investigations and to follow-up on complaints, hotline tips, as necessary.
Investigations Subtotal	**80**	**1.7%**		
Follow Up				
Follow-up on outstanding audit findings and recommendations	300			To perform follow-up work and determine status on outstanding audit recommendations.
Follow Up Subtotal	**300**	**6.4%**		
General Reserve				
Special requested audits	400			Special requests from the President, executive management, audit committee, unanticipated events, and to-be-determined UT System engagements, which have not been specifically budgeted.
General Reserve Subtotal	**400**	**8.5%**		
Development - Operations				
Annual Risk Assessment and Audit Plan	160			Preparation of the annual risk assessment and audit plan.
Annual Internal Audit Report for FY 2016	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.
External Quality Assurance Review	40			Provide assistance to external reviewers. Required every three years.

FY 2017 Audit Plan Engagements	Original Budget	Percent of Total	Primary Taxonomy	General Objective/Description
Training Provided by Internal Audit	20			Provide training on internal controls as necessary.
Internal Audit Committee	240			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	200			Various activities in regard to TeamMate or other audit software, data analysis techniques, and updating of the internal audit website.
Other Required Work - UT System	80			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	**910**	**19.3%**		
Development - Initiatives and Education				
UT System Council Meetings	50			Attend meetings of the UT System Audit Council as required.
Professional Organizations	40			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.

FY 2017 Audit Plan Engagements	Original Budget	Percent of Total	Primary Taxonomy	General Objective/Description
Other Training	120			Other necessary training throughout the year.
Development - Initiatives and Education Subtotal	330	7.0%		
Total Budgeted Hours	4716	100.0%		

Risk Definitions:
Probability - The likelihood of the risk actually occurring
Impact - The consequence of risk occurrence in public perception; organizational operations; and financial considerations
Risk Score - The overall capablility of the risk in preventing achievement of the objective

	Objective at Risk	Department	Detailed Risk Description	Probability	Impact	Risk Score (CHML)	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
1	To recruit and admit students that have the best potential to be successful at UTPB	Admissions	Student applications and acceptance letters are not processed in a timely manner	High	High	Critical	15.1.Admissions	Yes	Admissions	
2	Strategically award scholarships and other financial aid in a timely and effective manner in order to attract and retain students	Financial Aid	Scholarships and Federal, state and other awards/financial aid are not effectively combined and leveraged to help maximize student growth	High	High	Critical	15.6.Financial Aid	Yes	Financial Aid	
3	Strategically award scholarships and other financial aid in a timely and effective manner in order to attract and retain students	Financial Aid	Notices of scholarship awards and financial aid packages are not transmitted in a timely manner	High	High	Critical	15.6.Financial Aid	Yes	Financial Aid	
4	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	Moderate	High	Critical	2. Finance	No		Rely upon management oversight and budgetary process.
5	Increase in institutional reputation and brand awareness and concurrent growth in student enrollment and semester credit hours	President's Office	University's reputation and image is negatively impacted by low faculty performance in publishing, attainment of outside grant funds, and overall research	Moderate	High	Critical	13.3.2. Reputation Management	No		Rely upon management oversight.
6	Increase in institutional reputation and brand awareness and concurrent growth in student enrollment and semester credit hours	President's Office	A coordinated and comprehensive marketing approach for the entire University has not been formulated, implemented and updated in order to improve the image and brand awareness of UTPB and attract new students and donors	High	High	High	13.3.Marketing & Communications	No		Rely upon management oversight.

	Objective at Risk	Department	Detailed Risk Description	Probability	Impact	Risk Score (CHML)	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
7	*Increase in institutional reputation and brand awareness and concurrent growth in student enrollment and semester credit hours*	President's Office	Website, print, radio and social media information are not current and are not utilized to their fullest extent to maximize the image of the University and provide up-to-date information for the public	**High**	**High**	**High**	**13.3.Marketing & Communications**	No		Rely upon management oversight.
8	*Strategically award scholarships and other financial aid in a timely and effective manner in order to attract and retain students*	Financial Aid	More scholarship funds are awarded than the university has available	**High**	**High**	**High**	**15.6.Financial Aid**	Yes	Financial Aid	
9	*Successfully implementing PeopleSoft academic advising and student records modules*	Undergraduate Success	Inadequate staffing for the Prometric testing center will could potentially lead to licensing loss	**High**	**High**	**High**	**17.3.Student Retention and Graduation**	No		Rely upon management oversight.
10	*Provide uninterrupted communication and network services at both Midland and Odessa campuses*	IRD	Problems with particular systems/services may not be resolved in a timely manner due to lack of backup in key staff positions. Frequently, only one individual has the required skills and training to resolve a particular problem. If that individual is not available due to sickness, vacation or other absences, then the resolution of the issue can be delayed.	**High**	**High**	**High**	**3.1.3. IT Organizational Management**	No		Rely upon management oversight. Cross training of staff as feasible. Some contractor and UT Shared Services contacts may be available for staff augmentation.
11	*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**	**5. Human Resources**	No		Rely upon management oversight.
12	*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	**High**	**High**	**High**	**5.6. Training**	No		Rely upon management oversight and compliance monitoring. The position of training/compliance coordinator has been filled.

Objective at Risk	Department	Detailed Risk Description	Probability	Impact	Risk Score (CHML)	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
13 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, resulting in damage to the University's image and reputation	Moderate	High	High	12.10. Athletics	No		Rely upon management oversight.
14 Increase in institutional reputation and brand awareness and concurrent growth in student enrollment and semester credit hours	Performing and Visual Arts	Visual and performing arts are perceived as ineffective / expansion of Music program is not successful	Moderate	High	High	13.3.2. Reputation Management	No		Rely upon management oversight.
15 Provide safe campus environment and activities for students, faculty, staff and visitors	UTPB Police	Inability to lock down buildings remotely in case of an "active shooter" situation or some other emergency, and to help prevent theft and vandalism	Moderate	High	High	12.5.1. Campus Security	No		Close management oversight and supervision. Increased campus police presence/increased staffing and training.
16 Provide safe campus environment and activities for students, faculty, staff and visitors	UTPB Police	Inability to effectively monitor potential threats or criminal activity due to few security cameras inside of buildings	Moderate	High	High	12.5.1. Campus Security	No		Close management oversight and supervision. Increased campus police presence/increased staffing and training.
17 Provide safe campus environment and activities for students, faculty, staff and visitors	UTPB Police	No campus-wide public indoor public address (PA) system that would allow for verbal messages / instructions to be communicated due to an active shooter situation, severe weather alert, or some other emergency	Moderate	High	High	12.5.1. Campus Security	No		Close management oversight and supervision. Increased campus police presence/increased staffing and training.
18 Maintain integrity of financial data	Business Affairs	Accurate and timely annual financial reports are not prepared in accordance with UT System and State requirements	Moderate	High	High	2.1.1. Annual Financial Report	Yes	FY 2016 AFR	
19 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	Moderate	High	High	2. Finance	Yes	Departmental Audits	
20 Compliance with Title IX requirements	Athletics	Gender equity is not maintained in programs, services and support for student athletes	Moderate	High	High	12.10. Athletics	No		Rely upon outreach, communications, training and management oversight and compliance monitoring.

Objective at Risk	Department	Detailed Risk Description	Probability	Impact	Risk Score (CHML)	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
21 Compliance with Title IX requirements	Athletics	Ongoing staff training on Title IX compliance is not provided with regard to athletics/NCAA	Moderate	High	High	1.3. Compliance Program	No		Rely upon outreach, communications, training and management oversight and compliance monitoring.
22 Compliance with Title IX requirements	Business Affairs	Sexual harrassment claims are not properly investigated and reported	Moderate	High	High	1.4. Ethics & Standards of Conduct	No		Rely upon outreach, communications, training and management oversight and compliance monitoring.
23 Compliance with Title IX requirements	Business Affairs	Employee training and procedure updates regarding Title IX compliance are not provided	Moderate	High	High	1.3. Compliance Program	No		Rely upon outreach, communications, training and management oversight and compliance monitoring.
24 Compliance with Title IX requirements	Business Affairs	Information is not disseminated to staff and students regarding Title IX compliance	Moderate	High	High	1.4. Ethics & Standards of Conduct	No		Rely upon outreach, communications, training and management oversight and compliance monitoring.
25 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	Moderate	High	High	1. Governance	No		Rely upon management oversight.
26 Accurate reporting of enrollment, semester credit hours, and other student and institutional data as required by outside agencies	Institutional Research, Planning, and Effectiveness	Programming problems prevent the accurate submission of semester credit hours to the Texas Higher Education Coordinating Board (THECB), which adversely affects the formula funding determinations for the University.	Moderate	High	High	3.4.4. Coordinating Board Reporting	No		Rely upon management oversight.
27 Maximize grant and other outside funding opportunities and comply with all grant, UT System, State and Federal requirements	College of Education	Misuse of grant funds could result in sanctions, loss of funding, and ability to secure new grants.	Moderate	High	High	4.1. Research Administration	No		Effort Reporting audit conducted in FY 2016. Follow-up of recommendations to occur in FY 2017.
28 Procurement of goods and services under UT System and State of Texas laws and regulations	Purchasing	Vendor contracts are not properly monitored or administered	Moderate	High	High	8.4. Contracting	Yes	1. Contract Monitoring 2. Vendor Contracts - Food Service	

Objective at Risk	Department	Detailed Risk Description	Probability	Impact	Risk Score (CHML)	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
29 *Maintain IT systems, equipment and confidential student and employee data that are secure from unathorized use, outside hacking or other outside attacks*	Information Security	Adequate security controls are not maintained, leading to loss of confidential data, outside hacking, downloading of malware or unauthorized use	**Moderate**	**High**	**High**	**3.8.7. Information Security Operations**	No		TAC 202 System Security Audit performed in FY 2016. Required on a bi-annual basis. Use of internal security procedures, such as virus scanners, and other internal controls. Ongoing training of all personnel on IT security procedures.
30 *Maintain IT systems, equipment and confidential student and employee data that are secure from unathorized use, outside hacking or other outside attacks*	IRD	Updated contingency plans are not maintained for disaster recovery/business continuity	**Moderate**	**High**	**High**	**3.2.2. Disaster Recovery/Business Continuity/Emergency Preparedness**	No		TAC 202 System Security Audit performed in FY 2016. Required on a bi-annual basis. Next audit to occur in FY 2018.
31 *Maximize donor partnerships within the local area*	University Development	Accurate donor records are not maintained, and donor objectives and requirements are not met	**Moderate**	**High**	**High**	**14.1.Gifts and Endowments**	Yes	Donations	
32 *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	**Moderate**	**High**	**High**	**4.1.4. Time & Effort Reporting**	No		Effort Reporting audit conducted in FY 2016. Follow-up of recommendations to occur in FY 2017.
33 *Maximize grant and other outside funding opportunities and comply with all grant, UT System, State and Federal requirements*	Research	Grant funds are intentionally misused or not used in accordance with grant and Federal requirements	**Moderate**	**High**	**High**	**4.1. Research Administration**	No		Rely upon management oversight and compliance monitoring. University-wide audit on Grant funds planned for FY 2018.
34 *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	**Moderate**	**High**	**High**	**18. Instruction**	No		Rely upon management oversight and compliance monitoring.
35 *Provide and maintain effective online course offerings that enhance student enrollment and semester credit hours*	REACH	Transition from Blackboard to Canvas may result in unforeseen problems during the first year.	**Moderate**	**High**	**High**	**18. Instruction**	No		Rely upon management oversight and compliance monitoring.

	Objective at Risk	Department	Detailed Risk Description	Probability	Impact	Risk Score (CHML)	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
36	*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	Low	High	High	3.3. IT Infrastructure	No		Rely upon management oversight.
37	*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	Low	High	High	3.3. IT Infrastructure	No		Rely upon management oversight.
38	*Provide safe campus environment and activities for students, faculty, staff and visitors*	Environmental Health & Safety	Emergency mitigation measures, response procedures, and training of staff are not current or have not been implemented	Low	High	High	10.3.Emergency Preparedness	No		Rely upon management oversight. The Emergency Management Peer Review is conducted by the UT System Risk Management Office once every three years. The prior review was performed in FY 2015.
39	*Provide safe campus environment and activities for students, faculty, staff and visitors*	Library	Inadequate building security and protection places individuals at risk	Low	High	High	12.5.1. Campus Security	No		Rely upon management oversight. Security upgrade measures currently in progress. The Emergency Management Peer Review is conducted by the UT System Risk Management Office once every three years. The prior review was performed in FY 2015.
40	*Provide safe campus environment and activities for students, faculty, staff and visitors*	Student Services	Facilities and/or procedures do not promote a safe living environment in Student Housing	Moderate	High	Moderate	12.6.Student Housing	No		Rely upon management oversight. The Emergency Management Peer Review is conducted by the UT System Risk Management Office once every three years. The prior review was performed in FY 2015.
41	*Provide safe campus environment and activities for students, faculty, staff and visitors*	Arts and Sciences	Injury to students or faculty due to science labs and art studios are not maintained or used in a safe manner	Moderate	High	Moderate	10.4.Environmental Health and Safety	No		Rely upon Management oversight.
42	*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	High	Moderate	11.1.Prefreshman Programs	No		Rely upon Management oversight.

	Objective at Risk	Department	Detailed Risk Description	Probability	Impact	Risk Score (CHML)	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
43	*Maintain integrity of financial data*	Business Affairs	Account subcertifications and support for expenditures are not reviewed in a timely manner	High	Moderate	Moderate	2.7. Accounts Payable/Disbursements	Yes	Segregation of Duties and Accounts Reconciliation Monitoring Plan	
44	*Provide safe campus environment and activities for students, faculty, staff and visitors*	Student Services	Misuse of recreation/gym facilities by unauthorized individuals	High	Moderate	Moderate	16.5.Recreation and Activities	No		Rely upon Management oversight.
45	*Provide safe campus environment and activities for students, faculty, staff and visitors*	Student Services	Operating expenditures for the Student Activities Center (SAC) exceed generated revenue, impacting services provided	High	Moderate	Moderate	16. Student Services	No		Rely upon Management oversight.
46	*Maintain program accreditations and the university's regional accreditation with SACS*	College of Business and Engineering	Loss of accreditation could impact enrollment and ability to attract new students; and could also affect ability to secure new grants.	Low	High	Moderate	18.1.Accreditation	No		Rely upon close management oversight; monthly review of control systems; review by internal accreditation committee; employment of pre-visits to highlight areas needing improvement.
47	*Maintain program accreditations and the university's regional accreditation with SACS*	College of Education	Loss of accreditation could impact enrollment and ability to attract new students; and could also affect ability to secure new grants.	Low	High	Moderate	18.1.Accreditation	No		Rely upon close management oversight; monthly review of control systems; review by internal accreditation committee; employment of pre-visits to highlight areas needing improvement.
48	*Procurement of goods and services under UT System and State of Texas laws and regulations*	Purchasing	Inefficient and ineffective purchasing function	Low	High	Moderate	8. Purchasing/Supply Chain	No		Rely upon Management oversight.
49	*Maximize donor partnerships within the local area*	University Development	Effective communications with donors and confidentiality of donor information is not maintained	Low	High	Moderate	14.1.Gifts and Endowments	No		Rely upon Management oversight.

	Objective at Risk	Department	Detailed Risk Description	Probability	Impact	Risk Score (CHML)	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
50	Maintain IT systems, equipment and confidential student and employee data that are secure from unathorized use, outside hacking or other outside attacks	IRD	Updated listing of all desktop and laptop computers is not maintained	Low	High	Moderate	3.1.1. IT Asset Management	No		Rely upon management oversight and inventory procedures. The Laptop & Tablet Inventory Audit was performed in FY 2015 and audit recommendatins implemented by FY 2016
51	Maintain IT systems, equipment and confidential student and employee data that are secure from unathorized use, outside hacking or other outside attacks	Information Security	All laptops and other mobile devices are not encrypted	Low	High	Moderate	3.8.7. Information Security Operations	No		Rely upon management oversight and UTPB and UT System policy. The Laptop Encryption Audit was performed in FY 2013 and all audit recommendations implemented by FY 2015.
52	Effectively manage and maintain facilities on an ongoing basis that fully supports the university's functioning	Physical Plant	Unsafe facilities/equipment breakdown due to maintenance / repairs not performed on a regular basis	Low	High	Moderate	6.3. Maintenance	No		Use of rental equipment as necessary.
53	Effectively manage and maintain facilities on an ongoing basis that fully supports the university's functioning	Physical Plant	Physical injury and/or loss of time due to employees not following safety rules or not having sufficient training in specific occupational areas	Low	High	Moderate	6.3. Maintenance	No		Direct management oversight and additional training of personnel.
54	Maximize research opportunities in a safe environment and comply with all grant, UT System, State and Federal requirements	Research/ College of Arts and Sciences	Research facilities are not maintained in a safe manner/research procedures that promote safety are not implemented	Low	High	Moderate	4.1. Research Administration	No		Rely upon Management oversight.
55	Maximize research opportunities in a safe environment and comply with all grant, UT System, State and Federal requirements	Research/ College of Arts and Sciences	Human research subjects are used in an unsafe manner or environment	Low	High	Moderate	4.7.2. Protection of Human Subjects	No		Rely upon Management oversight.
56	Provide safe campus environment and activities for students, faculty, staff and visitors	Student Services	Facilities and/or procedures do not promote safey of children in Child Care Center	Low	High	Moderate	16. Student Services	No		Rely upon close Management oversight and following of safety standards and staff training as required by the State.

	Objective at Risk	Department	Detailed Risk Description	Probability	Impact	Risk Score (CHML)	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
57	Provide safe environment for students enrolled in STEM academy	STEM Academy	Facilities and/or procedures do not promote student safety	Low	High	Moderate	11. Public Services	No		Rely upon close Management oversight and following of safety standards and staff training as required by the State.
58	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	Moderate	Moderate	Moderate	12.10. Athletics	No		Rely upon Management oversight and compliance monitoring.
59	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	Moderate	Moderate	Moderate	12.10. Athletics	No		Rely upon Management oversight.
60	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	Moderate	Moderate	Moderate	12.10.1. Eligibility	Yes	Athletic Academic Integrity	
61	Expansion of athletic programs and compliance with NCAA requirements	Athletics	Close oversight is not maintained over increase in athletic resources, budgets and additional staff	Moderate	Moderate	Moderate	12.10. Athletics	No		Rely upon Management oversight.
62	Procurement of goods and services under UT System and State of Texas laws and regulations	Purchasing	Procurement cards are misused	Moderate	Moderate	Moderate	8. Purchasing/Supply Chain	Yes	Departmental Audits	
63	Provide safe campus environment and activities for students, faculty, staff and visitors	Student Services	Student groups engage in hazardous travel or other activities	Moderate	Moderate	Moderate	16.5.Recreation and Activities	No		Student organization and Advisor training required, along with prior approval for all events.
64	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	Moderate	Moderate	Moderate	12. Auxiliary Services	No		Rely upon close oversight provided by the WNPAC Finance Committee and the annual external financial audit.
65	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	Low	Moderate	8.2. Receiving & Warehousing	No		Rely upon Management oversight.

	Objective at Risk	Department	Detailed Risk Description	Probability	Impact	Risk Score (CHML)	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
66	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	Low	Moderate	8. Purchasing/Supply Chain	No		Rely upon Management oversight.
67	Provide safe campus environment and activities for students, faculty, staff and visitors	Student Services	Injury to students participating in intramurals and other activities, such as Cheer	Moderate	Low	Moderate	16.5.Recreation and Activities	No		Provide proper training and implement safe procedures.
68	Maintain integrity of financial data	Business Affairs	Benefits proportionality calculations are materially inaccurate and lead to overcharges to the State of Texas	Low	Moderate	Moderate	2.1. Financial Reporting	No		Prior audits conducted for fiscal years 2012, 2013 and 2014. No material overcharges.
69	Maintain integrity of financial data	Business Affairs	Current information is not maintained on inventory and capital assets	Low	Moderate	Moderate	2.1. Financial Reporting	Yes	Departmental Audits	
70	Maintain integrity of financial data	Business Affairs	Accurate records on accounts receivable and doubtful accounts are not maintained	Low	Moderate	Moderate	2.3. Accounts Receivable	Yes	Departmental Audits	
71	Maintain integrity of financial data	Business Affairs	Travel/entertainment expenditures do not conform to UT System and State policy	Low	Moderate	Moderate	2.5. Travel and Entertainment	Yes	1. Executive Travel and Entertainment Expense 2. Departmental Audits	
72	Maintain integrity of financial data	Business Affairs	Proper controls over accounts payable and other disbursements are not implemented	Low	Moderate	Moderate	2.7. Accounts Payable/Disbursements	Yes	Departmental Audits	
73	Maintaining accuracy and confidentiality of student records	Registrar	Records are released to unauthorized individuals	Low	Moderate	Moderate	15.5.Student Records - Registrar	No		Rely upon management oversight and additional training for staff.
74	Comply with UT System, State and Federal requirements regarding human resources	Human Resources	Timely and accurate criminal background checks are not performed of propective employees	Low	Moderate	Moderate	5. Human Resources	No		Rely upon management oversight.
75	Support the University by providing young Texans with an education on public leadership, ethics and service.	John Ben Shepperd Institute	Reduction in public school participation in leadership training programs offered by the Institute	Low	Moderate	Moderate	11. Public Services	No		Updating of programs - replacement of the Shepperd Edge program with the Crisis Learning Center.

	Objective at Risk	Department	Detailed Risk Description	Probability	Impact	Risk Score (CHML)	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
76	Maximize grant and other outside funding opportunities and comply with all grant, UT System, State and Federal requirements	College of Education	Misuse of technology for personal gain.	Low	Moderate	Low	4.4.3. Research Misconduct	No		Rely upon management oversight due to low risk.
77	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	Moderate	Low	8. Purchasing/Supply Chain	No		Rely upon management oversight due to low risk.
78	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	Moderate	Low	8. Purchasing/Supply Chain	No		Rely upon management oversight due to low risk.
79	Procurement of goods and services under UT System and State of Texas laws and regulations	Purchasing	Purchases are not competitively bid	Low	Moderate	Low	8.3. Bidding	No		Rely upon management oversight due to low risk.
80	Procurement of goods and services under UT System and State of Texas laws and regulations	Purchasing	Sole source vendors are not appropriately justified	Low	Moderate	Low	8.3. Bidding	No		Rely upon management oversight due to low risk.
81	Maximize research opportunities in a safe environment and comply with all grant, UT System, State and Federal requirements	Research/ College of Arts and Sciences	Animal research facilities and procedures are not adequately overseen and monitored	Low	Moderate	Low	4.8.2. Protection of Animal Subjects	No		Rely upon management oversight due to low risk.
82	Provide safe environment for Nursing students and patients	Nursing	Nursing students and patients are at risk due to improper supervision and procedures	Low	Moderate	Low	18. Instruction	No		Rely upon management oversight due to low risk.
83	Expansion of athletic programs and compliance with NCAA requirements	Athletics	Youth sports camps are not operated in accordance with NCAA regulations	Low	Low	Low	12.10. Athletics	No		Rely upon management oversight due to low risk.

	Objective at Risk	Department	Detailed Risk Description	Probability	Impact	Risk Score (CHML)	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
84	Procurement of goods and services under UT System and State of Texas laws and regulations	Purchasing	Failure to select qualified bidder	Low	Low	Low	8.3. Bidding	No		Rely upon management oversight due to low risk.
85	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	8. Purchasing/Supply Chain	No		Rely upon management oversight due to low risk.
86	Procurement of goods and services under UT System and State of Texas laws and regulations	Purchasing	GPO contracts are used without competitive process	Low	Low	Low	8.3. Bidding	No		Rely upon management oversight due to low risk.
87	Provide safe campus environment and activities for students, faculty, staff and visitors	Student Services	Injury to students and the public at campus events	Low	Low	Low	16.5.Recreation and Activities	No		Rely upon management oversight due to low risk.

UT Permian Basin
Attachment C - Available Audit Hours
FY 2017 Audit Plan

	CAE	Senior Auditor	Auditor II	Total	%
Audit Hours	1,405	1,622	1,689	**4,716**	76%
Non-Audit Hours:					
General Administration	400	125	125	650	10%
Holidays	112	112	112	336	5%
Vacation & Sick Leave	163	221	154	538	9%
Total Available Hours	2,080	2,080	2,080	6,240	100%

Notes

Audit hours include Training/CPE hours.
Vacation and sick leave budgeted at 80% of annual accrual amount

UT Permian Basin
Attachment D - Five Year Audit History
FY 2017 Audit Plan

Engagement	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Audits					
Annual Financial Report	X	System	X	X	X
Monitoring Plan and Segregation of Duties - UTS 142.1			X	X	X
Benefits Proportionality				X	X
Laptop and Tablet Inventory				X	
Effort Reporting - Grants					X
Dependent Eligibility	X				
Procurement					X
Information Technology Inventory and Laptop Encryption		System			
TAC 202 System Security	System		X		X
Athletic Academic Integrity					X
Information Technology Governance	System				
NCAA Compliance		System			System
President's Travel and Entertainment Expenses	X	System	System	System	System
Executive Travel and Entertainment Expenses			X	X	X
JAMP				X	
Special Projects					
External Quality Assessment			X		
Bank Reconciliation and Journal Entry Approval Review				X	
Endowment Fee Review			X		
Wagner-Noel Performing Arts Center Reconciliation			X		
Accounting Director Transition	X				
Development - Cash Handling Review					X
First 5 Permian Basin - Gift Card Program					X
REACH - Blackboard Role Assignments					X
Pool - Cash Handling Procedures					X

☐ Expected to be either completed or in progress at August 31