

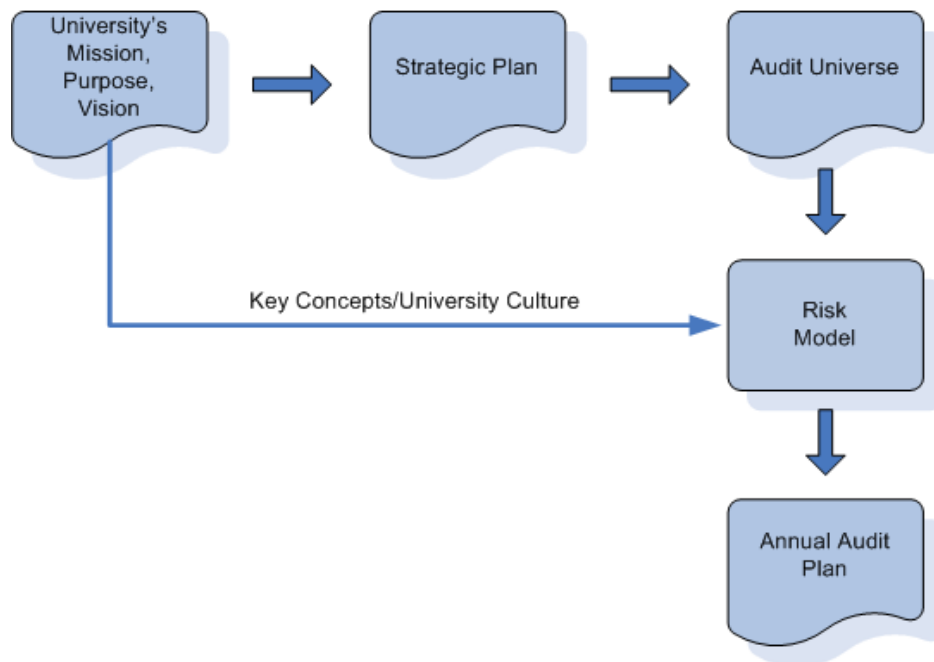
AUDIT PLANNING

ANNUAL AUDIT PLANNING

Overview

The Executive Director has the responsibility to develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management. In accordance with IIA Standards, the annual audit plan is based on an annual risk assessment, and includes the input of senior management and the Board of Trustees.

The Fiscal Control and Internal Auditing Act requires the plan to cover two years and be approved by the President by June 30 of each year.



Risk Categories

Categories of risk we assess include the following:

- Financial – Financial risks deal with the accounting for internal controls over and reporting of financial transactions, including assets, liabilities, revenues, and expenditures.
- Compliance – Compliance risks deal with the adequacy of a unit's system to ensure compliance with applicable laws, regulations, and policies.
- Operational – Operational risks deal with deficiencies in a unit's effective and efficient use of resources.
- Reputational – Reputational risks deal with issues that may not be significant from a financial, compliance, or operational perspective, but could have a potentially negative public perception impact.
- Safety – Safety risks include events, situations, or other circumstances that have the potential to cause harm to individual(s), including employees and/or the public.

Key Elements of the Risk Assessment Process

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Key Elements of the Risk Assessment Process

- Define the Audit Universe
- Identify Major Risks
 - Data Analytics
 - Key Stakeholder Interviews
- Consider Other Factors
 - External Audit Findings
 - State Statutorily - Required Elements of Plan
 - Higher Education Industry Issues
- Develop Audit Plan Based on Assessed Risks