Annual Audit Planning Process – Why?

- Required to comply with IIA Standard 2010
- Required to submit to UNC System Office/BOG
- Determine the priorities of the Internal Audit team based on the assessment of risks that may affect ECU's ability to accomplish its objectives
- Coordinate activities of all compliance and risk units to avoid duplication and ensure key risks are covered



Annual Audit Planning Process – How?

Continuously Assess and Monitor Risk / Update Audit Universe and Plan

Conduct Top-

Down Risk

Assessment

Define/Update **Audit Universe**

Bottom-Up Risk Assessment

Conduct

• Facilitated by ERM • Uncovers issues

impacting

objectives

critical risk

(strategic,

operational,

compliance,

financial)

reputational.

• Identifies most

University at an

enterprise level

Links to strategic

 Review other ECU compliance and assurance providers' plans & reviews

Other Items

Assessed

 Review latest findings from State Audit reports

- Review UNC KPIs and Internal Control Assessments
- Discuss with VCs and key management personnel
- Review industry literature for emerging risks and hot topics

Develop Audit Plan

Finalize Plan

- Ensures completeness of risk coverage
- Vision, mission, and strategic plan
- Latest financial statement
- Financial balances
- Organization charts, chart of accounts
- Recent internal and external audits completed and results

- Ratings based on objective guidance;
- judgment applied Criticality of unit
- Internal Control
- Public or political sensitivity
- Legal and regulatory requirements
- Changes in management
- Financial Impact
- Fraud and Abuse

- Based on prioritized audit universe, topdown assessment
- Include management requests
- Determine if pending audits from previous plan need to be brought forward
- · Determine followup reviews
- Determine available auditor hours

- Present to **Executive Council** for Discussion
- Approval by Chancellor
- Approval by ECU **BOT Audit** Committee
- Submit to UNC GA
- Submit to NC Council of Internal Auditing



Annual Audit Planning Process – Result

- A work plan/list of priorities for the IA team
- Includes hours for unplanned consultations and investigative audits – based on historical trends
- Flexible; can and will change as new priorities emerge
- Changes will be brought to the Chancellor and BOT/Audit Committee for approval



Annual Audit Planning Process – Next Steps

- Chancellor approved in June 2019
- BOT/Audit Committee approval sought
- Submit to required external agencies in July
- CAO will keep Chancellor and BOT/Audit
 Committee apprised of progress and desired changes throughout the year



East Carolina University Office of Internal Audit Annual Engagement Plan By Type FY 2019-2020

| | Budget | Budgeted | %age | Risk |
|--|------------|------------|----------------------|----------|
| Project Description | Status | Hours | of Total | Ranking |
| Integrated/Operational Audits: | Otatas | Hours | Of Fotal | rtanking |
| Kronos and Timekeeping (F18032/A16038) (Data Analytics) | WIP | 400 | 2.4% | High |
| PeopleAdmin Position Approval Processes | WIP | 300 | 1.8% | |
| SoDM Revenue Cycle (Data Analytics) | WIP | 300 | 1.8% | |
| ERM Maturity Assessment | CYP | 300 | 1.8% | _ |
| University Advancement (Gift Valuation and Accounting) | CYP | 300 | 1.8% | _ |
| Sponsored Programs Time and Effort Reporting | CYP | 340 | 2.0% | _ |
| Data Analytics Review of Payroll, Travel, Athletics, other (TBD) | CYP | 500 | 3.0% | _ |
| Unpaid Adjunct Faculty Members | CYP | 340 | 2.0% | |
| Research Compliance Staffing and Funding Model | CYP | 300 | 1.8% | |
| Automated Journal Vouchers Process | CYP | 300 | 1.8% | |
| Total Integrated/Operational Audit Hours | | 3380 | 20.3% | |
| Compliance Audits: | | | | |
| Third Party Service Provider Controls | WIP | 100 | 0.6% | High |
| ADA/504 Compliance | CYP | 300 | 1.8% | High |
| Total Compliance Audit Hours | | 400 | 2.4% | |
| Information Technology Audits: | | | | |
| Technology Security Assessment Process | CYP | 300 | 1.8% | High |
| IT Asset Management (ITCS and non-ITCS) | CYP | 300 | 1.8% | High |
| Controls over Privileged Accounts | CYP | 300 | 1.8% | High |
| Total Information Technology Audit Hours | | 900 | 5.4% | |
| Investigative Reviews: | | | | |
| Hotline Allegations Triage | CYP | 120 | 1% | |
| Investigative Reviews - Already In Progress | WIP | 200 | 1% | |
| Investigative Reviews - Not Yet Received/Started | CYP | 2200 | 13% | |
| Total Investigative Audit Hours | | 2520 | 15% | |
| Follow-Up Reviews: | | | | |
| Action Plan Tracking and Follow-Up | CYP | 240 | 1.4% | _ |
| University Youth Programs (A18008) | CYP | 150 | 0.9% | _ |
| Student Transit (L18021) | CYP | 150 | 0.9% | • |
| Americorps Grant (2nd Follow-Up) (F19022) | CYP | 120 | 0.7% | • |
| Security Camera Controls (A18017) | CYP | 120 | 0.7% | _ |
| Student Conduct Process (A19021) | CYP | 80 | 0.5% | |
| SoDM CSLCs (A18024) | CYP | 100 | 0.6% | High |
| Total Follow-Up Review Audit Hours | | 960 | 4.7% | |
| Consultations/Management Advisory Services | CYP | 900 | 4.8% | |
| Routine/Other Consultations | | 800 | | |
| Routine Data Analytics Support for Clients University Committees Participation | CYP CYP | 200 | 1.2% 3.0% | |
| · · · · · · · · · · · · · · · · · · · | WIP | 500 120 | | |
| ProCard Analytics for Chrome River Assist with AICFR | | 120 | 0.7% | |
| | WIP | 40 60 | 0.2% | |
| Student Athlete Course Clustering | CYP | 60 100 | 0.4% | |
| University Orientation Materials | CYP | 100 | 0.6% 10.9% | |
| Total Consultation Hours | | 1820 | 10.9% | |

East Carolina University Office of Internal Audit Annual Engagement Plan By Type FY 2019-2020

| | Budget | Budgeted | %age | Risk |
|--|---------------|----------|----------|---------|
| Project Description | Status | Hours | of Total | Ranking |
| Other/Special Projects: | | | | |
| Coordinate and Assist with External Audits, SBI Reports, Routine Tasks | CYP | 800 | 4.8% | NA |
| Audit Software Admin and Maintenance | CYP | 300 | 1.8% | High |
| Student Intern Program | CYP | 300 | 1.8% | High |
| Required IIA QAIP/Self-Assessment | CYP | 40 | 0.2% | High |
| Develop Assurance Map | CYP | 100 | 0.6% | High |
| Unplanned Special Projects as Assigned | CYP | 200 | 1.2% | High |
| Risk Assessment/Audit Planning 2020-2021 | CYP | 80 | 0.5% | High |
| Risk Assessment/Audit Planning 2019-2020 | WIP | 20 | 0.1% | High |
| Total Other/Special Project Hours | | 1840 | 11.0% | |
| Total Direct Audit Hours | | 11820 | 71% | |
| Administration | CYP | 1800 | 11% | NA |
| Leave/Holiday | CYP | 2300 | 14% | NA |
| Professional Development | CYP | 750 | 4% | NA |
| Total Indirect Audit Hours: | | 4850 | 29% | |
| Grand Total Audit Hours | | 16670 | 100% | |

Chancellor/Date

ECU BOT Audit Committee Chair/Date