

---

## Risk Assessment / Audit Plan Development

### Overview

This is an overview of the 2016 (calendar year) audit plan and the risk assessment methodology that is currently in progress. Results from the risk assessment will be used to develop the 2017 audit plan. The risk assessment and audit plan will be updated annually at the beginning of each calendar year. As outlined in the Memorandum of Understanding (MOU) at the time of hire, one of the major duties and responsibilities of the Internal Audit Director is to “Develop an annual audit work plan and priorities for audit.”

Snow College internal audit charter states: The Institute of Internal Auditors “International Standards for the Professional Practice of Internal Auditing (Standards) shall constitute the operating procedures for the department”. The Standards, section 2010 – Planning states: “The chief audit executive must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization’s goals.

### Risk Assessment Methodology

The risk assessment process is as follows:

- 1) Identify the “audit universe” - The audit universe is logical listing of all auditable entities at the college.
- 2) Information gathering – Obtain quantifiable and measurable information about each of the entities in the audit universe. Information includes the fund types and balances that roll up to the entity manager, known financial, compliance and IT risks within each entity, grants, cash handling, prior audit findings, etc. Information is obtained through:
  - a. Banner Reports
  - b. Interviews with Entity Managers and Administration
  - c. Prior Audit Reports
- 3) Risk Scoring – Risks are weighted and scored based on the likelihood of the risks occurring and the potential impact (materiality) if it occurs.

Once completed the final scores and proposed 2017 audit plan will be presented to the Finance and Facilities Committee for review and approval. The risk assessment will be updated on an annual basis. Requested audits will be considered for inclusion in the audit plan regardless of risk.

### 2016 Audit Schedule

The purpose for the 2016 audit schedule was to address known risks through audits while implementing a methodology and completing a risk assessment. The 2017 calendar year audit schedule will be established using the results of the risk assessment.

#	Audit Activity	Audit Activity Type	Audit Objectives	Status
1	Risk Assessment	Risk	Develop a risk based audit plan that is consistent with Snow College goals and mission	In Progress
2	Presidential Travel – R212	Compliance	Determine if Snow College is in compliance with the Utah System of Higher Educations (USHE), policy R212, Presidential Travel Oversight policy.	Completed April 2016
3	Polynesian Club	Financial / Performance	Determine if cash handling, inventory and distribution of text books was done in accordance with Snow College policies and procedures. Determine if there was equal opportunity for students to participate in the Polynesian Club fundraisers, and receive benefits from participation such as the use of textbooks bought using club funds.	Completed May 2016
4	Banner Access Controls	IT	Determine if users of Banner have appropriate levels of access (least privilege). Determine if internal controls for obtaining access are reasonable. Determine if separation of duties is enforced through access controls. Review current security issues or concerns relating to Banner.	Completed July 2016
5	External Audit – Financial Aid (Single Audit)	Consulting/ Compliance	Assist Financial Aid, where requested, in resolving the repeat finding from the single audit.	Completed June 2016
6	Acquire and Implement Data Analytics tool	N/A	Acquire ACL and install on PC. Take online training course and use in audits where possible. Develop plan to incorporate tests into continuous audits, where feasible.	Completed July 2016
7	Western Swing Dance Club	Financial / Performance	Determine if Western Swing Club internal controls provide for: 1) Reasonable assurance regarding financial reporting 2) Effectiveness and efficiency of operations, 3) Compliance with Snow College policies and best business practices	Completed August 2016
8	Snow College – Adult Literacy	Compliance	Evaluate Snow College’s compliance with the Utah State Board of Education’s Rule R277-733, Adult Education Programs and the Utah Adult Education Policies and Procedures Guide	Completed August 2016
9	Sevier Valley Center (SVC)	Compliance / Performance	Determine if the Sevier Valley Center is operating in compliance with the policies and procedures and is efficient and effective in meeting the goals and objectives as established by the SVC Board and Snow College.	In Progress

#	Audit Activity	Audit Activity Type	Audit Objectives	Status
10	Investments – R541	Compliance	Determine if Snow College is in compliance with the Utah System of Higher Educations (USHE), policy R541, Management and Reporting of Institutional Investments. – Postponed to January 2017 as the receipt of the Financial audit report is a pre-requisite to starting this audit.	Postponed to January 2017
11	Motor Pool – R557	Compliance	Determine if Snow College is in compliance with the Utah System of Higher Educations (USHE), policy R557, Motor Vehicles.	Not Started
12	Discretionary Funds – R548	Compliance	Determine if Snow College is in compliance with the Utah System of Higher Educations (USHE), policy R548, Institutional Discretionary Funds Administration and Accountability.	Not Started
13	Cash Controls Audit / Review	Compliance	Review the internal controls for all cash collection points on both Richfield and Ephraim Campuses. Determine if internal controls are in-line with best business practices for cash handling	In Progress

**External Audits**

The following audits are performed by the State of Utah on an annual basis. Internal Audit is not responsible to conduct these audits, but may be asked to provide information or assistance:

- Annual Financial Audit
- Annual Financial Aid (Single Audit)