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## Risk Assessment Results / 2017 Revised Audit Plan

### Overview

This is the proposed 2017 calendar year audit plan and the risk assessment methodology that was used to establish it. The risk assessment and audit plan will be reviewed and approved by the audit committee on an annual basis. Progress reports will be reviewed during each audit committee meeting. 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. The chief audit executive must review and adjust the plan, as necessary, in response to changes in the organization’s business, risks, operations, programs, systems, and controls.

### 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 included in the risk assessment includes the following:
  - a. 2017 Budget amount
  - b. Cash Balance amount as of June 30, 2016
  - c. Total Expenses and Revenues for FY 2016
  - d. Number and purchase price of fixed assets
  - e. Total number of funds
  - f. Number, credit limit, and single purchase limits for purchasing cards
  - g. Cash handling
  - h. Administration weighting
  - i. Audit committee weighting
- 3) Risk Scoring – Risks are weighted and scored based on the likelihood and impact of the risks.

## **Risk Assessment Results / Audit Schedule**

The following entities received the ten highest risk rankings:

- 1) Athletics – Completed 2017**
- 2) Foundation – Scheduled for 2018
- 3) Student Life and Leadership – Completed 2016 (Clubs)
- 4) Information Technology – Completed 2016 (Banner access controls audit)
- 5) Admissions – Completed 2017**
- 6) Music – Postponed 2018**
- 7) VP Finance and Administrative Services / Controller’s Office - Scheduled for 2017**
- 8) Residence Life – Scheduled for 2018
- 9) Business Department – Scheduled for 2018
- 10) Food Services – Postponed 2018**

During the audit of the admissions department, it was noted that the scholarship department and the admissions department work closely together through scholarship open houses and other events. Risks identified during the course of the admissions audit were similar risks for the scholarship office. Also data used to conduct the audit of admissions could potentially be used for the scholarship audit. Because of these factors and the findings from the admissions audit we decided to conduct an audit of scholarship following completion of the admissions audit.

### Interim changes to the audit schedule

As per the IIA standard 2020: “The chief audit executive must communicate the internal audit activity’s plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. The chief audit executive must also communicate the impact of resource limitations.”

Following is the revised audit schedule for the remainder of the calendar year 2017 – Changes from original schedule are highlighted in Red:

| # | Audit#   | Audit Activity Type                 | Audit Title / Description   | Entity                                 | Start Date        | Status / Projected Completion Date |
|---|----------|-------------------------------------|---|--|-------------------|------------------------------------|
| 1 | 2017-R01 | Risk Assessment                     | Risk Assessment   | Campus-wide                            | January 2, 2017   | Completed<br>March 10, 2017        |
| 2 | 2017-A01 | Compliance                          | USHE required - Presidential Travel Audit – R212  | Office of the President                | February 1, 2017  | Completed<br>March 15, 2017        |
| 3 | 2017-A02 | Financial / Controls                | Cash counts and controls reviews for all cash collection points across the campus   | Campus-wide                            | February 1, 2017  | Completed<br>April 1, 2017         |
| 4 | 2017-A03 | Compliance / Agreed upon Procedures | USHE required - Investments Audit - R541  | VP Finance and Administrative Services | February 10, 2016 | Completed<br>March 28, 2017        |
| 5 | 2017-A04 | Financial / Performance             | Risk based audit of the athletic department and summer camps  | Athletics                              | March 25, 2017    | Completed<br>June 28, 2017         |
| 6 | 2017-A05 | Financial / Performance             | Risk based performance audit of the Admissions office   | Admissions Office                      | July 12, 2017     | Completed<br>10/12/2017            |
| 7 | 2017-A06 | Financial / Performance             | Risk based performance audit of the Music Department  | Music Department                       | Postponed         | Postponed                          |
| 8 | 2017-A07 | Agreed upon Procedures              | Agreed upon procedures audit (to be done annually) to Evaluate Snow College’s compliance with the Utah State Board of Education’s Rule R277-733 | Adult Literacy                         | Sept 8, 2017      | Completed<br>Sept 15, 2017         |

| #  | Audit#   | Audit Activity Type     | Audit Title / Description  | Entity        | Start Date       | Status / Projected Completion Date   |
|----|----------|-------------------------|--|---------------|------------------|--|
| 9  | 2017-F01 | Follow-up               | Follow-up and report on status of implementations of findings and recommendations from prior audits. | Campus-wide   | Ongoing          | Completed Follow-up of the SVC Audit Findings.<br>Follow-up Banner Access Controls – in progress |
| 10 | 2017-A08 | Compliance              | Campus-wide audit / review of travel <sup>1</sup> and purchasing card expenses                       | Campus-wide   | October 1, 2017  | December 31, 2017  |
| 11 | 2017-A09 | Financial / Compliance  | USHE required - each auxiliary enterprise operation to be audited once every three years             | Food Services | Postponed        | Postponed  |
| 12 | 2017-A09 | Financial / Performance | Risk based performance audit of the Scholarship Department   | Scholarship   | October 12, 2017 | December 31, 2017  |

### 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)

In addition, the College was included in the system-wide purchasing card audit that was conducted by the State.

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<sup>1</sup> Student worker assigned to assist