



Internal Audit Plan:
2019/2020 – 2021/2022

**OREGON TECH
INTERNAL AUDIT PLAN: 2019/2020 – 2021/2022**

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Internal Audit Plan Methodology

The internal audit plan covers a three fiscal year period from July 1, 2019 through June 30, 2022. This plan includes internal audits selected based on the results of the risk assessments performed by Internal Audit (IA), input from various stakeholders and managers throughout the Institution, and input and approval from the Board of Trustees (Board). The internal audit plan is designed to direct IA resources in an effective and efficient manner.

IA uses a three-year risk assessment model, with annual updates based on targeted interviews with management and the Board, to prioritize audit coverage and ensure timely reviews of high exposure areas along with sufficient campus-wide attention.

IA performs three primary activities – audits, management advisory services, and investigations. IA’s focus is to actively work within the Institution to assist management in addressing strategic, financial, operational, reputational, and compliance risks and exposures. IA focuses on both Institution-wide and department level processes and control systems. In order to focus audit resources, the work completed by other audit professionals and compliance officers across the Institution were considered in setting the overall audit plan and in planning the work conducted on any specific project. Additionally audits may be performed at the express request or instruction of the Board or Institution management.

The types of audits that can be performed by IA are as follows:

- **Performance Audits** - Examines the use of resources to evaluate whether they are being used in the most effective and efficient manner to fulfill the organization's mission and objectives. Performance audits may include some elements of the other audit techniques listed below.
- **Financial Audits** - Focuses on accounting and reporting of financial transactions, including commitments, authorizations, receipt, and disbursement of funds. This type of audit verifies that there are sufficient controls over cash and other assets, and that there are adequate process controls over the acquisition and use of resources.
- **Compliance Audits** - Reviews adherence to laws, regulations, policies, and procedures. Examples include federal and state law, Trustee policies, organizational, or departmental directives. Recommendations based on findings or observations typically call for improvements in processes and controls intended to ensure compliance with the regulations noted.

OREGON TECH**Internal Audit Plan: 2019/2020 – 2021/2022*****Audit Plan for Fiscal Year 2019/2020:***

Audit Unit	Audit Focus**	Budget*	Timeframe	Risk Ranking: Heat Map
Risk Assessment and Audit Plan Update	Review risk assessment and update annual audit plan with targeted interviews with the Board and management as required by internal audit professional standards.	20	Spring 2019	N/A
Monitor Fraud, Waste, and Abuse Ethics Hotline	Monitor reports made to the Fraud, Waste, and Abuse Ethics Hotline, as well as items reported directly to IA during the annual risk assessment process or throughout the year. Coordinate with Human Resources, Institution management, and the Board for appropriate follow-up.	20	Year-round	N/A
Prior Audit Follow-up	Look back at audits performed in prior years to review progress and/or continued areas for improvement.	20	Year-round	N/A
Board and Management Reporting	Prepare monthly and quarterly reports and presentations for the board and management for audit statuses, issues encountered, decision needed, and actions taken.	40	Year-round	N/A
Sponsored Projects and Grant Administration	<u>Post-award review</u> : administration of post-award is clear and organized; policies and procedures exist and are followed; individuals in charge of post-awards understand compliance and reporting and receive sufficient training; financial interests of sponsored programs are disclosed timely and reviewed for conflicts of interest; sub-recipient relationships are appropriate and monitored by OT management; indirect costs are approved and charged as allowed under agreements.	250	Summer/ Fall/Winter 2019/2020	5
Title IX	<u>Title IX compliance</u> : policies and procedures; processing of complaints; communication and documentation; victim and whistleblower confidentiality	150	Winter/ Spring 2020	11

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Audit Plan for Fiscal Year 2019/2020 (Continued):

Audit Unit	Audit Focus**	Budget*	Timeframe	Risk Ranking: Heat Map
Auxiliary: Housing and Residence Life	<u>Controls over cash, revenues, expenditures, and sensitive information:</u> proper execution of contracts and agreements; cost reimbursement review; budget management, cash collection, protection of sensitive information.	100	Spring 2020	22
Academic Agreements	<u>Academic Agreement Management:</u> process for registering and placement of students, coordination of agreements.	150	Fall/Winter 2019/2020	27
	Total Budget	750		

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Tentative Audit Plan for Fiscal Year 2020/2021:

Audit Unit	Audit Focus**	Budget*	Timeframe	Risk Ranking: Heat Map
Risk Assessment and Audit Plan Update	Review risk assessment and update annual audit plan with targeted interviews with the Board and management as required by internal audit professional standards.	20	Spring 2020	N/A
Monitor Fraud, Waste, and Abuse Ethics Hotline	Monitor reports made to the Fraud, Waste, and Abuse Ethics Hotline, as well as items reported directly to IA during the annual risk assessment process or throughout the year. Coordinate with Human Resources, Institution management, and the Board for appropriate follow-up.	20	Year-round	N/A
Prior Audit Follow-up	Look back at audits performed in prior years to review progress and/or continued areas for improvement.	20	Year-round	N/A
Board and Management Reporting	Prepare monthly and quarterly reports and presentations for the board and management for audit statuses, issues encountered, decision needed, and actions taken.	40	Year-round	N/A
Information Technology	<u>Cybersecurity</u> : policies and procedures; insurance coverage for incidents; incident response plan; super user access and change procedures.	250	Summer/Fall 2020	1
Business Affairs	<u>Fixed asset and inventory tracking</u> : campus or select department fixed asset tracking procedures; purchase and disposal policies and procedures; select department inventory tracking practices; fixed asset or inventory utilization.	150	Summer/Fall 2021	8
Auxiliary: Campus Dining	<u>Controls over cash, revenues, expenditures, and sensitive information</u> : proper execution of contracts and agreements; cost reimbursement review; budget management, cash collection, protection of sensitive information.	100	Spring 2021	22
Online Education	<u>Online course management</u> : Process for employee agreements, tracking and reporting results, accountability.	100	Winter/ Spring 2022	15
Campus Security	<u>Clery Act</u> : proper tracking and disclosure of campus crime statistics and security information	100	Winter/ Spring 2021	34
Total Budget		800		

OREGON TECH**Internal Audit Plan: 2019/2020 – 2021/2022*****Tentative Audit Plan for Fiscal Year 2021/2022:***

Audit Unit	Audit Focus**	Budget*	Timeframe	Risk Ranking: Heat Map
Risk Assessment and Audit Plan Update	Review risk assessment and update annual audit plan with targeted interviews with the Board and management as required by internal audit professional standards.	20	Spring 2021	N/A
Monitor Fraud, Waste, and Abuse Ethics Hotline	Monitor reports made to the Fraud, Waste, and Abuse Ethics Hotline, as well as items reported directly to IA during the annual risk assessment process or throughout the year. Coordinate with Human Resources, Institution management, and the Board for appropriate follow-up.	20	Year-round	N/A
Prior Audit Follow-up	Look back at audits performed in prior years to review progress and/or continued areas for improvement.	20	Year-round	N/A
Board and Management Reporting	Prepare monthly and quarterly reports and presentations for the board and management for audit statuses, issues encountered, decision needed, and actions taken.	40	Year-round	N/A
Facilities Management	<u>Capital project management</u> : policies and procedures for determining project management team, solicitation and selection of subcontractors; management of project costs.	250	Summer/ Fall/Winter 2021/2022	9
Business Affairs, Procurement, Contracts, & Risk Management, Athletics	<u>Contract procurement, administration, and review</u> : policies and procedures around contracts with third-parties including: vendor selection, vendor evaluation, change orders, bidding, purchase thresholds, legitimate business purpose, and compliance with government regulations.	200	Fall/Winter 2021/2022	10

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Audit Plan for Fiscal Year 2021/2022 (Continued):

Audit Unit	Audit Focus**	Budget*	Timeframe	Risk Ranking: Heat Map
Business Affairs	<u>Accounts receivable</u> : policies and procedures around collections; compare to best practices and peer institutions review for uncollectable or delinquent accounts, write-offs, etc., for outside parties, students, etc.	100	Summer/Fall 2021	20
Auxiliary: Campus Book Store	<u>Controls over cash, revenues, expenditures, and sensitive information</u> : proper execution of contracts and agreements; cost reimbursement review; budget management, cash collection, protection of sensitive information.	100	Spring 2021	22
	Total Budget	750		

* Budgeted hours are approximate and may change depending on project scope to be determined by IA, Institution management, and the Board. Hours shown are provided for planning purposes.

** In selecting specific audit projects for inclusion in the audit plan, emphasis was placed on both providing coverage to the Institution's top risks, sufficient campus-wide attention, as well as to requests from Institution management and the Board. Some audits may carryover for completion into subsequent years depending on the optimal time for review. This is part of a normal audit process where audits begun in the last few months of the year are completed and issued early in the following year.

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Audit Risk Methodology

The potential audits were evaluated based on the impact, likelihood, and velocity that each audit risk would represent to the Institution based on standard internal audit practices. Each audit was plotted on a heat map (see page 8). Below is the criteria used to make those evaluations:

Likelihood: The chance that a risk could occur and impact the Institution. Likelihood is represented by the vertical axis of the heat map. Likelihood is determined and evaluated based on the following factors:

Descriptor	Frequency		Probability
Almost Certain	Immediate	Very often or expected	90% chance
Likely	<= 3 months	Often or multiple times per year	60%-90% chance
Possible	12 months	Periodically or annually	30%-60% chance
Unlikely	24 months	Occasionally or bi-annually	10%-30% chance
Rare	60 months	Rarely or remote possibility	<10% chance

Velocity: The speed at which a risk can occur and have a material impact on the Institution. Velocity is represented by the size of the point plotted on the heat map such that the larger the point, the faster the potential onset of the risk. Velocity is determined and evaluated based on the following factors:

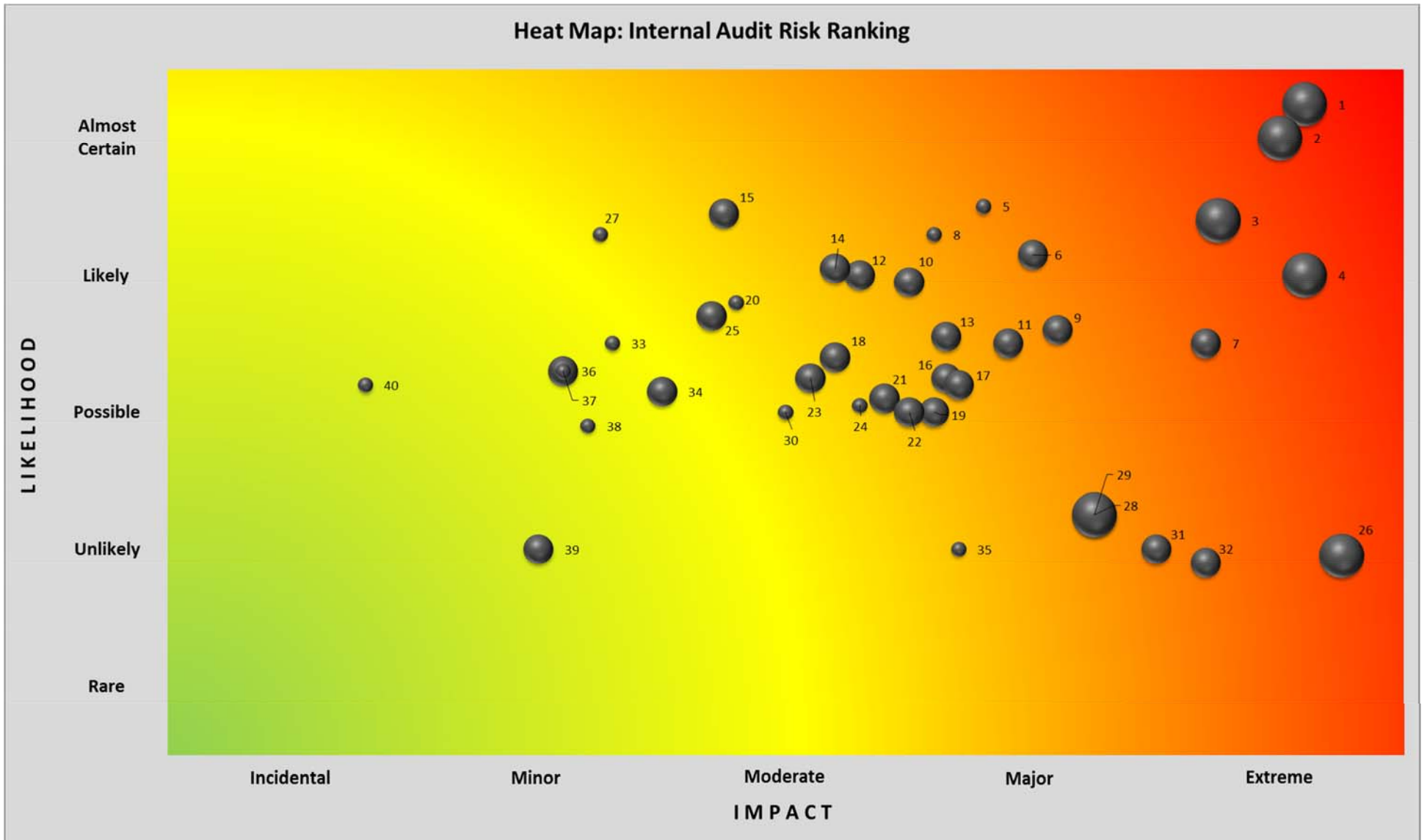
Descriptor	Speed	Time Period
Fast	Rapid or instantaneous onset with little or no warning	Occurs within hours or a few days
Moderate	Quick onset with some warning requiring a response	Occurs in a matter of a couple of weeks or months
Slow	Slow onset with enough warning to attempt remedy	Occurs over many months or years

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Impact: The extent of the consequences a risk could have on the Institution. Impact is plotted on the horizontal axis of the heat map. Impact is determined and evaluated based on the following factors:

Descriptor	Strategic	Operational	Compliance	Financial	Reputational	Safety
Extreme	Loss of confidence by all stakeholder groups. Potential closing of Institution.	Enterprise wide. Inability to continue normal operations across entire Institution. Multiple board members or senior leaders leave.	Board and/or management indictments. Significant prosecution and fines. Large scale legal action. Regulatory sanctions.	Financial cost or lost opportunity greater than \$5M	Significant and long-term national negative media coverage. Major loss of market share.	Loss of life
Major	Loss of confidence by two or more stakeholder groups. Multiple changes in senior leadership. Significant changes to Institution's strategic plan. Potential closing of multiple Institution branches or services.	Significant interruptions to Institution operations. Some senior leaders leave. High turnover of experienced staff. Not perceived as an employer of choice.	Management challenges. Large legal liabilities. Reports to regulators requiring major corrective action. Regulatory fines.	Financial cost or lost opportunity between \$1M - \$5M	Substantial state-wide media coverage. Potentially temporary or remediable situation. Significant loss of market share.	Permanent or significant injury
Moderate	Loss of confidence by more than one stakeholder group. Changes in senior leadership or staffing. Significant changes to Institution's execution of strategic plan.	Moderate interruptions to Institution operations. Widespread staff morale problems and high turnover.	Review of management decisions. Legal action considered or reserved for. Report of breach to regulator with immediate corrective action implemented. Regulatory investigation.	Financial cost or lost opportunity between \$100K - \$1M	Minor local media coverage. Likely temporary and remediable. Potential harm to market share.	Minor injury
Minor	Loss of confidence by one stakeholder group. Refinements or adjustments to Institution's strategic plan and/or execution.	Minor interruptions to Institution operations. General staff morale problems and increasing turnover.	Management unaffected. Minimal liabilities. Reportable incident to regulator with no follow-up required. Increased regulatory attention.	Financial cost or lost opportunity between \$25K - \$100K	Local media coverage easily remedied. No harm to market share.	Chance of injury and perception of danger
Incidental	Minor concern by 1 or more stakeholder groups. Minimal or no changes to Institution plans.	Minimal or no interruption to Institution operations. Isolated staff dissatisfaction.	Minimal or no liabilities. Not reportable to regulator. No regulatory impact.	Financial cost or lost opportunity less than \$25K	No impact	No injuries, perception of safety



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The table below represents the potential audits to be conducted by IA. To help identify potential projects, internal audits have been broken into two categories, Tier 1 and Tier 2. Tier 1 audits are larger projects identified as having high risk in the annual risk assessment, or areas specifically requested for review by the Board or Institution management. Tier 2 audits are smaller projects that can be either one-off or of a recurring nature. IA recommends a mixture of Tier 1 and Tier 2 audits each year to provide optimum levels of coverage.

Audit Unit(s)	Audit Focus	Description of Audit	Estimated Budget	Tier 1/ Tier 2	Risk Ranking: Heat Map
Information Technology	Cybersecurity	Policies and procedures; insurance coverage for incidents; incident response plan; super user access and change procedures.	150-250	Tier 1	1
Information Technology	Business email compromise	Policies and procedures in place; incident response plan; training; survey staff and faculty regarding understanding and response to an incident.	90-150	Tier 2	2
Information Technology	Information systems implementation	Policies and procedures related to new information system purchase or development including testing of outputs, appropriate training, support, and authorizations of data access.	150-250	Tier 1	3
Information Technology	Disaster recovery	Review existing policies and procedures for effectiveness; review modifications and communication of the plan to campus; adequate system redundancy; sufficient backups; adequate emergency operations center; clearly defined authority and responsibility; review previous incidents.	90-150	Tier 2	4
Sponsored Projects and Grant Administration	Post-award review	Administration of post-award is clear and organized; policies and procedures exist and are followed; individuals in charge of post-awards understand compliance and reporting and receive sufficient training; financial interests of sponsored programs are disclosed timely and reviewed for conflicts of interest; sub-recipient relationships are appropriate and monitored by OT management; indirect costs are approved and charged as allowed under agreements.	150-250	Tier 1	5
Procurement, Contracts, & Risk Management	Vendor selection, evaluation, and review	Policies and procedures around contracts with third-parties including: vendor selection, vendor evaluation, and vendor review.	90-150	Tier 2	6

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Audit Unit(s)	Audit Focus	Description of Audit	Estimated Budget	Tier 1/ Tier 2	Risk Ranking: Heat Map
Human Resources and Affirmative Action, Campus Security	Sexual assault and harassment on campus	Policies and procedures related to reporting and investigation of incidents; mechanisms for reporting of incidents currently in place; training for staff, faculty and students	90-150	Tier 2	7
Business Affairs	Fixed asset and inventory tracking	Campus or select department fixed asset tracking procedures; purchase and disposal policies and procedures; select department inventory tracking practices; fixed asset or inventory utilization.	90-150	Tier 2	8
Facilities Management	Capital project management	Policies and procedures for determining project management team, solicitation and selection of subcontractors; management of project costs.	150-250	Tier 1	9
Business Affairs, Procurement, Contracts, & Risk Management	Contract procurement, administration, and review	Policies and procedures around contracts with third-parties including: change orders, bidding, purchase thresholds, legitimate business purpose, and compliance with government regulations.	150-250	Tier 1	10
Title IX	Title IX compliance	Policies and procedures; processing of complaints; communication and documentation; victim and whistleblower confidentiality	90-150	Tier 2	11
Information Technology	Protection of confidential information and personally identifiable information	Review policies and procedures for personal information protection and control; review access and security responsibilities of those in charge of confidential information; review reporting of potential information breaches.	90-150	Tier 2	12
Athletics	NAIA compliance	Policies and procedures; student athlete eligibility; academic compliance; off-campus recruiting; award and distribution of financial aid; sports camps, practices, travel regulations.	90-150	Tier 2	13
Sponsored Projects and Grant Administration	Compliance and fiscal controls	Review policies and procedures for payroll and effort certification, allowable costs, cost transfers, program income, sub-recipient monitoring, etc.	150-250	Tier 1	14
Online Education	Online course management	Process for employee agreements, tracking and reporting results, accountability.	90-150	Tier 2	15

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Audit Unit(s)	Audit Focus	Description of Audit	Estimated Budget	Tier 1/ Tier 2	Risk Ranking: Heat Map
Budget and Resource Planning	Lottery funds	Administration of lottery funds is well organized and defined; policies and procedures are in place, current, and effective; OT is providing accurate and timely lottery fund reporting to the state; allocation process is well-documented and appropriate review and approval is in place; appropriate budgeting and accounting for lottery fund allocations is in place.	90-150	Tier 2	16
Alumni Relations/Oregon Tech Foundation	Donor funds	Use of gifts and compliance with donor intent across campus organizations	150-250	Tier 1	17
Athletics	Administrative review	Policies and procedures; contract administration; cash collection; student athlete eligibility; travel safety; insurance coverage; medical evaluation policies; financial aid distribution and communication.	90-150	Tier 2	18
Human Resources and Affirmative Action	Performance reviews	Process for faculty and administrative performance reviews; alignment with pay increases and promotions.	90-150	Tier 2	19
Business Affairs	Accounts receivable	Policies and procedures around collections; compare to best practices and peer institutions review for uncollectable or delinquent accounts, write-offs, etc., for outside parties, students, etc.	90-150	Tier 2	20
Athletics, Financial Aid	Athletic scholarships	Review processes for awarding of student athlete aid to ensure compliance with all applicable laws and campus guidelines, review equity and consistency of awards given.	90-150	Tier 2	21
Auxiliaries: Book Store	Fiscal review	Proper execution of contracts and agreements; cost reimbursement review; budget management; cash collection controls.	90-150	Tier 2	22
Auxiliaries: Campus Dining	Fiscal review	Proper execution of contracts and agreements; cost reimbursement review; budget management; cash collection controls.	90-150	Tier 2	22
Auxiliaries: Document Resource Center	Fiscal review	Proper execution of contracts and agreements; cost reimbursement review; budget management; cash collection controls.	90-150	Tier 2	22

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Audit Unit(s)	Audit Focus	Description of Audit	Estimated Budget	Tier 1/ Tier 2	Risk Ranking: Heat Map
Auxiliaries: Housing and Residence Life	Fiscal review	Proper execution of contracts and agreements; cost reimbursement review; budget management; cash collection controls.	90-150	Tier 2	22
Human Resources and Affirmative Action	Pay equity	Review of pay equity study related to faculty and review of internal administrative pay equity study.	90-150	Tier 2	23
Human Resources and Affirmative Action	Payroll	Salary classifications and benefits; pay compliance with salary classifications assigned to staff; benefits provided to eligible employees; review active and inactive employee listing.	90-150	Tier 2	24
Campus Life & Multicultural Inclusion	International student services	Review compliance with international student regulations, laws, and other guidelines.	90-150	Tier 2	25
Emergency Management	Emergency response plan	Internal, administrative, compliance, and operational controls over the campus-wide emergency operations plan and related management activities, including training and drills.	90-150	Tier 2	26
Academic Agreements	Academic agreement management	Process for registering and placement of students, coordination of agreements.	90-150	Tier 2	27
College of Engineering Technology & Management	Student safety and legal compliance	Federal grant compliance, environmental, health, and safety compliance, business operations	90-150	Tier 2	28
College of Health, Arts, and Sciences	Student safety and legal compliance	Federal grant compliance, environmental, health, and safety compliance, business operations	90-150	Tier 2	29
Retention, Admissions	Enrollment and yield rates	Review procedures around tracking of enrollment data; review policies and procedures around student applications and admissions	150-250	Tier 1	30

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Audit Unit(s)	Audit Focus	Description of Audit	Estimated Budget	Tier 1/ Tier 2	Risk Ranking: Heat Map
Facilities Management	Hazardous materials management	Risks related to hazardous material handling have been analyzed, identified, and addressed; policies and procedures exist, are appropriate, and are followed; appropriate controls are in place; OT has established HAZMAT communication documents and training; the appropriate permits are in place; hazardous material inventory is monitored, properly stored, and properly disposed; effective emergency plans are in place for spills or exposure.	90-150	Tier 2	31
Information Technology	EITA and GDPR compliance and training	Review compliance with Electronic Information Technology Accessibility, and European General Data Protection Regulations; analyze steps being taken to become compliant and risks analyzed as any result of non-compliance.	90-150	Tier 2	32
Sponsored Projects and Grant Administration	Pre-award review	Review for compliance with federal Responsible Conduct of Research documentation and training; review for appropriate training and administration of conflict-of-interest statements; review other potential training needed such as human-research subject protection, animal-research subject protection, suspension and debarment.	90-150	Tier 2	33
Campus Security	Clery act	Proper tracking and disclosure of campus crime statistics and security information	90-150	Tier 2	34
Strategic Partnerships	Alliances and affiliations	Review of policies and procedures around strategic partnerships with third-party affiliates; review potential conflicts of interest and compliance with all state and federal laws.	150-250	Tier 1	35
Human Resources and Affirmative Action	Timekeeping	Compliance with policies and procedures related to timekeeping of student employees; reconcile disbursements to active employee listing; review pay rates for compliance with policy.	90-150	Tier 2	36
Campus Life & Multicultural Inclusion	Registered Student Organizations	Ascertain the effectiveness of operational, administrative, and financial controls related to student organization activities and to ensure compliance with relevant governmental regulations, and campus directives.	90-150	Tier 2	37

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Audit Unit(s)	Audit Focus	Description of Audit	Estimated Budget	Tier 1/ Tier 2	Risk Ranking: Heat Map
Facilities Management	ADA accessibility and compliance	Ascertain the effectiveness of existing policies and procedures related to ADA compliance and to determine the adequacy of controls over related processes to ensure compliance with relevant governmental regulations, and campus directives.	90-150	Tier 2	38
Campus Life & Multicultural Inclusion	Study-abroad program management	Review study-abroad and exchange programs offered to students are selected, monitored, and administered according to OT guidelines; fiscal administration of international programs is in accordance with regulatory and OT guidelines	90-150	Tier 2	39
Office of the Vice President for Finance & Administration	Cashiering	Review cash receipts and business processes, policies, and procedures; accountability for cash is timely; deposits are accurate; system access is controlled; appropriate segregation of duties in place.	90-150	Tier 2	40