Nevada System of Higher Education

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February 1, 2021

MEMORANDUM

TO: Dr. Patrick R. Carter, Chair
                Ms. Laura E. Perkins, Vice Chair
                Mr. Joseph C. Arrascada
                Dr. Jason Geddes
                Mr. Donald Sylvantee McMichael Sr.

FROM: Joe Sunbury, Chief Internal Auditor

SUBJECT: Internal Audit Departmental Work Plan
                Audit, Compliance and Title IX Committee – March 4, 2021

Historically, the NSHE Internal Audit Department has developed an annual work schedule for review and approval by the Audit, Compliance and Title IX Committee. This will now be developed and submitted for approval on a six-month rolling period, in line with recent best practice developments and the increasing need for a flexible, agile internal audit workforce. The Internal Audit Department Work Schedule continues to be derived from our recently updated risk assessment process, which is summarized below:

Risk Assessment Process - Fiscal Year 2021 (2nd half)

➢ Continue our updates to the comprehensive list of auditable areas ("audit universe") in a collaborative fashion

➢ Review the risk factors used to ensure they provide a more complete view of risks affecting NSHE

➢ Apply risk factors in a weighted fashion (considering significance / likelihood) to determine and prioritize risks in order to scale to resources

➢ Solicit input from system-wide / institution management for current specific audit focus

➢ Utilize data from NSHE Compliance Hotline to identify potential areas requiring review

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In addition to the Risk Assessment changes stemming from our Quality Assurance Review, we modified the format of our work schedule to explicitly highlight that our department provides services beyond that of traditional assurance services. Highlights and themes of the system-wide audit plan are summarized below:

Highlights of the System-wide FY 2021 Audit Plan (2nd half)

➢ NSHE Internal Audit will dedicate over 4,000 hours to planned, assurance-based audits, spread across all institutions and the System office

➢ To facilitate agility and flexibility in the work schedule, NSHE Internal Audit has dedicated roughly 1,300 hours to projects based on emerging risks and collaborative efforts with other assurance-providing functions around the system

➢ A slight decrease from prior periods, approximately six percent of personnel hours are budgeted for training / administrative items. This includes continuing education for the NSHE Internal Audit team (external training to maintain certifications and competencies), as well as continued "in-house" training to ensure the department is well-organized and well-positioned to add value to the institutions

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Themes in the System-wide FY 2021 Audit Plan (2nd half)

➢ Process vs. Transactional reviews – Based on feedback from our key stakeholders, internal audit adds the most value when recommending process improvements. We will continue to modify traditional audits to capture more process analysis and work efficiently through transaction testing

➢ Collaboration – Increased collaboration with other assurance providers around NSHE ultimately leads to more effective audits and efficient use of resources. This continued theme relates to unplanned requests, as well as several planned audits / projects, as we look to leverage excellent subject-matter experts around the system, especially in areas of compliance

➢ Information Technology – In addition to planned IT audits, we dedicate time within advisory requests for participation in important IT-related projects like NIST cybersecurity framework reviews and critical follow-up from external review observations. We look for efficiencies in all audits through use of technology (e.g. electronic workpaper repository, use of data analytics, etc.)

➢ Contribute to cost savings – NSHE Internal Audit continues to look for opportunities to alleviate costs. Several projects identified will lead to direct and continued savings including direct assistance to the external auditors and PCI compliance reviews

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The detailed list of audits can be found on page 5. Please contact me if you have any questions or need additional information.

Nevada System of Higher Education
Internal Audit Department
Capacity Analysis & Work Plan
Fiscal Year 2021 (2nd half)

Personnel Hours (Total Hours x 8 FTE)	8,320	
Non-audit Hours (Holidays, annual leave, illness, furloughs, etc.)	-1,400	-16.8%
Training and Administrative Hours	-520	-6.3%
Utilizable Audit Hours	6,400	
Utilizable Audit Hours	6,400	
Audit Program - Planned (~65%)	**4,200**	
Audit Program - Advisory Requests/Collaborations (~20%)	1,300	
Audit Support Activities/Hotline Management/Compliance Coordination (~15%)	900	
Audit Program - Planned		
UNR - Unannounced	200	
UNR - Change-in-Leadership*	100	
UNR - Hosting*	50	350
DRI - Human Resources - follow-up	50	50
TMCC - Revenue Controls	200	
TMCC - Child Care Center*	100	300
WNC - Facilities Management - follow-up	50	50
GBC - Foundation*	100	100
NSHE - Fiscal Sustainability Committee initiatives	300	
NSHE - ERP Testing Assistance	200	
NSHE - Policy review coordination	200	
NSHE - Non-Financial Statement Reporting	150	
NSHE - Title IX policy compliance*	150	
NSHE - COSO Framework Analysis	150	
NSHE - External Audit Direct Assist	100	
NSHE - Change-in-Leadership*	50	
NSHE - Single Audit response coordination / Tie-outs	50	
NSHE - Quality Assurance Review (Self Assessment w/ Ind. Validation)*	50	
NSHE - IT SCS analysis	50	
NSHE - CARES Act review (student distributions)*	50	1,500
IT - ERP Integrations/Testing Support	200	
IT - PCI Compliance Assistance	200	
IT - Peoplesoft User Access Review	200	
IT - Social Media (follow-up)	150	
IT - GLBA analysis*	100	850
UNLV - Change-in-Leadership	150	
UNLV - Purchasing	150	
UNLV - Hosting	100	400
CSN - Human Resources*	100	
CSN - Unannounced	150	250
NSC - Disability Resource Center	200	
NSC - Cashiering Services	150	350
Grand total - Planned audits		**4,200**

* Project currently in-progress, hours represent approximate remaining time to completion

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