

**Audit Plan**  
**for**  
**Fiscal Year 2020**



**Office of Internal Audits**

**Leigh Kidwell, CPA, CIA, CGMA**  
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**[www.msutexas.edu/internal-audits](http://www.msutexas.edu/internal-audits)**

June 20, 2019

Dr. Suzanne Shipley, President  
Midwestern State University  
Wichita Falls, TX 76308

Dear Dr. Shipley,

We are pleased to submit the Fiscal Year 2020 Audit Plan. The plan includes audits that are required by statute or administrative policy, assistance required by oversight agencies, audits that are currently in progress, and planned engagements based on our assessment of risk. We have scheduled approximately ten percent of our available hours for assisting management with additional requests, special investigations, following up on implementation of prior audit recommendations, and other value-added work.

Texas Government Code (TGC), Section 2102.005, requires state agencies to conduct a program of internal auditing which includes the annual preparation of an audit plan. The plan must use risk assessment techniques and identify the individual audits to be conducted. This report satisfies that requirement.

The Office of Internal Audits (OIA) is currently staffed by a full time chief audit executive and a full time auditor. Available hours for this year's projects after consideration of University holidays, vacation, sick leave and wellness release is 3,540 hours.

OIA's resources will be allocated among required audits, risk-based audits, special projects, investigations, meetings, committee service, and audit department activities and administration.

The proposed audit projects for the next three years are listed in the following table.

Audit Projects	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Audit Assistance to Oversight Agencies	X	X	X
Prior Audit Recommendations Follow-up	X	X	X
Public Funds Investment Act (biennial)	X		X
TX Administrative Code 202 (biennial)		X	
NCAA (triennial)	X		
Safety and Security (triennial)	X		
Internal Quality Assurance/Peer Review (triennial)	X		
Benefits Proportionality by Fund	X		
Information Security	X	X	X
Departmental Audits	X	X	X
Risk Based and Other Audits	X	X	X

Risk based audits planned for fiscal year 2020 include:

- Admissions

The Audit Plan for fiscal year 2020 has been reviewed by you, the Board of Regents Chair, and the Audit, Compliance, and Management Committee Chair. We request the Audit Plan presented below be approved.

Respectfully,

Leigh Kidwell, CPA, CIA, CGMA  
Chief Audit Executive

### FISCAL YEAR 2020 AUDIT PLAN

Project	Description	Hours
<i>Financial, Compliance, Operational, Efficiency &amp; Effectiveness Audits</i>		
Audit Assistance to Oversight Agencies	Provide audit assistance to state and federal oversight agencies such as Texas State Auditor's Office, Texas Higher Education Coordinating Board, Texas State Comptroller's Office and grant agencies.	48
Implementation of Prior Audit Recommendations	Obtain representations from management and verification if necessary, regarding implementation status of prior audit recommendations.	160
Safety and Security	Verify compliance with safety and security requirements of Texas Education Code, Section 51.217.	200
Admissions	Review policies governing the admission process and controls ensuring compliance with laws, policies, and regulations.	300
Benefits Proportional By Fund	Verify compliance with requirements to pay benefits in proportion to the sources of funds from which the corresponding salaries and wages were paid in accordance with applicable statutes, General Appropriations Act requirements, and related University policies and procedures.	200
Departmental	Review for compliance with various regulations and/or for efficiency and effectiveness.	300
Information Security	Provide Assistance to review the IT department's plan to timely resume system resources should a disaster occur in compliance with Texas Administrative Code 202	80

Project	Description	Hours
Internal Quality Assurance Review and External Validation	Conduct a self-assessment of the internal audit activity's conformance with the Texas Internal Auditing Act and professional standards in preparation for an independent validation.	80
National Collegiate Athletic Association (NCAA) Agreed Upon Procedures	Provide assistance to the independent auditors performing the agreed upon procedures of MSU athletic financial statement as required by NCAA.	200
Public Funds Investment Act (PFIA)	Review compliance with PFIA, management controls on investments, and adherence to University investment policies.	240
Annual Risk Assessment	Facilitate annual University risk assessment.	40
Annual Audit Plan	Prepare annual audit plan.	40
Annual Audit Report	Prepare annual audit report.	40
Audits Carried Forward	Finalize prior fiscal year audits not complete at August 31, 2019 and carried forward into the current year.	72
	<i>Total Audit Hours</i>	<u>2,000</u>
<b><i>Special Projects</i></b>		
Hotline, Fraud, or Ethics Investigations	Facilitate University anonymous reporting system and investigations.	48
Special Projects	Based on requests from Board of Regents, Administration or others.	160
	<i>Total Special Projects</i>	<u>208</u>
<b><i>Meetings and Committee Service</i></b>		
Ethics and Compliance Committee	Serve as advisory member of the committee and all sub-committees.	220
Administrative Meetings	Attend administrative meetings as requested.	240
Other University Meetings or Events	Attend other meetings or events as requested.	48
Board of Regents Meetings	Prepare for and attend Board of Regents meetings or events.	120
	<i>Total Meetings and Committee Service</i>	<u>628</u>
<b><i>Audit Department Activities and Administration</i></b>		
Professional Development and Travel	Professional development, maintain certifications, continuing education and related travel.	160
Records Management	Manage records maintenance.	40
Audit Manual and Webpage Revisions	Update audit manual and webpage.	24
General and Administrative Tasks	Office administrative duties (planning, purchasing, recordkeeping scheduling, reporting, etc.).	432
Staff Meetings	Intra office communications and planning.	48
	<i>Total Audit Department Activities and Administration</i>	<u>704</u>
	<b><i>Total Allocated Hours</i></b>	<b><u>3,540</u></b>

Project	Description	Hours
	<b><i>Available Hours for All Staff</i></b>	<b>4,160</b>
	Less estimated hours for:	
	Holidays	(240)
	Vacation & Birthday Leave	(220)
	Sick Leave	(80)
	Wellness Release	(16)
	Breaks	(64)
	<b><i>Net Available Hours</i></b>	<b><u>3,540</u></b>