

# Nevada System of Higher Education

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August 4, 2016

## MEMORANDUM

TO: Ms. Allison Stephens, Chair  
Dr. Andrea Anderson, Vice Chair  
Mr. Mark Doubrava  
Mr. James Dean Leavitt  
Mr. Sam Lieberman  
Mr. Kevin J. Page

FROM: Joe Sunbury, Chief Internal Auditor *JRS*

SUBJECT: Internal Audit Departmental Work Plan  
Audit Committee – September 8, 2016

Annually a work schedule is developed by the NSHE Internal Audit Department for review and approval by the Audit Committee. The Internal Audit Department Work Schedule is the ultimate deliverable from our updated risk assessment process, which is summarized below:

### Risk Assessment Process - Fiscal Year 2017

- Update the comprehensive list of auditable areas (“audit universe”) in a collaborative fashion
- Update the risk factors used to 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

In addition to the Risk Assessment changes stemming from the 2015 Quality Assurance Review, we have also 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 2017 Audit Plan

- NSHE Internal Audit will dedicate more than 9,000 hours to planned, traditional assurance-based audits, spread across all institutions and the System office.
- To facilitate agility and flexibility in the work schedule, NSHE Internal Audit has set aside approximately 3,000 hours, which will be dedicated to projects based on emerging risks, and may be advisory or investigatory in nature.
- Over 1,500 hours are budgeted for continuing education for the NSHE Internal Audit team. This includes external training to maintain certifications, as well as in-house training to ensure the department is well-organized and equipped to fully utilize a new ERP system.

#### Themes in the System-wide FY 2017 Audit Plan

- Data Analytics – Utilized in stand-alone projects; embedded in all audit programs.
- I.T. – Involvement in important areas like data privacy and cybersecurity governance; significant amount of “advisory” hours will be dedicated to involvement system implementation.
- Efficiencies – Where possible, audits of similar activities at institutions are scheduled to be performed concurrently for efficiency purposes.

The detailed list of audits can be found at Appendix A. 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 2017

Personnel Hours (Total Hours x 8.5 FTE)	17,680	
Non-audit Hours (Holidays, vacations, illness, etc.)	-2,790	-15.8%
Training and Administrative Hours	-1,570	-8.9%
Utilizable Audit Hours	<u>13,320</u>	
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Audit Program - Planned (~70%)	<u>9,350</u>	
Audit Program - Advisory/Discretionary/Investigatory (~25%)	3,320	
Audit Support Activities (~5%)	<u>650</u>	
Audit Program - Planned		
UNR Office of Sponsored Programs	450	
UNR Excess Credit Fee	250	
UNR Student Financial Aid	350	
UNR Student Health Center	400	
UNR Unannounced	<u>600</u>	2,050
DRI Change-in-Leadership	300	
DRI Travel	350	
DRI Purchasing Card Program	<u>350</u>	1,000
TMCC Student Financial Aid	350	
TMCC Excess Credit Fee	250	
TMCC Change-in-Leadership	<u>300</u>	900
WNC Athletics Close-out	<u>300</u>	300
GBC Libraries	300	
GBC Grants Management	<u>250</u>	550
System Admin - Change-in-Leadership	300	
External Audit - Direct Assistance / Liaison	<u>200</u>	500
IT Data Privacy	500	
IT Cybersecurity Governance	400	
IT Data Analytics Initiatives	<u>400</u>	1,300
UNLV Unannounced	300	
UNLV Thomas & Mack Center	400	
UNLV Intercollegiate Athletics	400	
UNLV Excess Credit Fee	250	
UNLV Educational Outreach	<u>300</u>	1,650
CSN Excess Credit Fee	250	
CSN Unannounced	<u>250</u>	500
NSC Facilities	300	
NSC School Based Health Center	<u>300</u>	600
<b>Grand total - Planned audits</b>	<u><u>9,350</u></u>	