Fiscal Year 2025 Internal Audit Plan

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FY25 Risk Themes Identified by Internal Audit

UNTS System Wide Risks	
• Developing strategy and organizational accountability • Unknown state funding • Enrollment decline • Higher education value proposition • Research strategy	• Federal/State regulatory changes and uncertainty • Overall leadership changes • Brand unification strategy • AI development (misinformation/student integrity)
System	**HSC**
• Cybersecurity • Third party monitoring • Financial pressures	• Competition • Brand recognition • Infrastructure expansion limited
UNT	**UNT Dallas**
• Student safety and mental health • Digital education • Frisco degree strategy • Organizational change management	• Student safety and mental health • Police Academy sentiment • Organizational change management • Housing limitations

Enterprise Risk Management has introduced methods and tools to identify, prioritize, mitigate and monitor risks. An Enterprise Risk Committee will perform risk monitoring related to the identified risks, starting in October FY25.

Future sources of risks:

- Risks permutating from Governance committees related to numerous risk categories (e.g. IT Governance, Third Party Management, People Risk)
- New Initiatives outside of the budget cycle
- Top Risks related to each Institution

Audit Plan Development

We have completed the Risk Assessment, developed the FY25 Audit Plan, and secured resources to execute the Audit Plan

Methodology

Internal Audit Universe

- ✓ Use a framework to assess all aspects of risk across UNTS Enterprise
- ✓ Use the Association of College University Auditors categories as baseline and adjust as appropriate

Risk Assessment

- ✓ Evaluate inherent risk (prior to considering controls) against Impact, Probability and Velocity
- ✓ Considered strategies and emerging risks and obtained input from management and external parties/subject matter experts

Audit Plan and Resources

- ✓ Audit coverage assessed at universe level, considering past 5-year coverage*
- ✓ Assess staff capacity and capability to execute the plan
- ✓ Determine budget to fund resource needs
- ▪ **See Appendix 1*

Results

- ✓ Minimal changes to Audit Universe, which increased from 68 to 69 auditable units
- ✓ Domains and auditable units are created at the process, risk, and function level

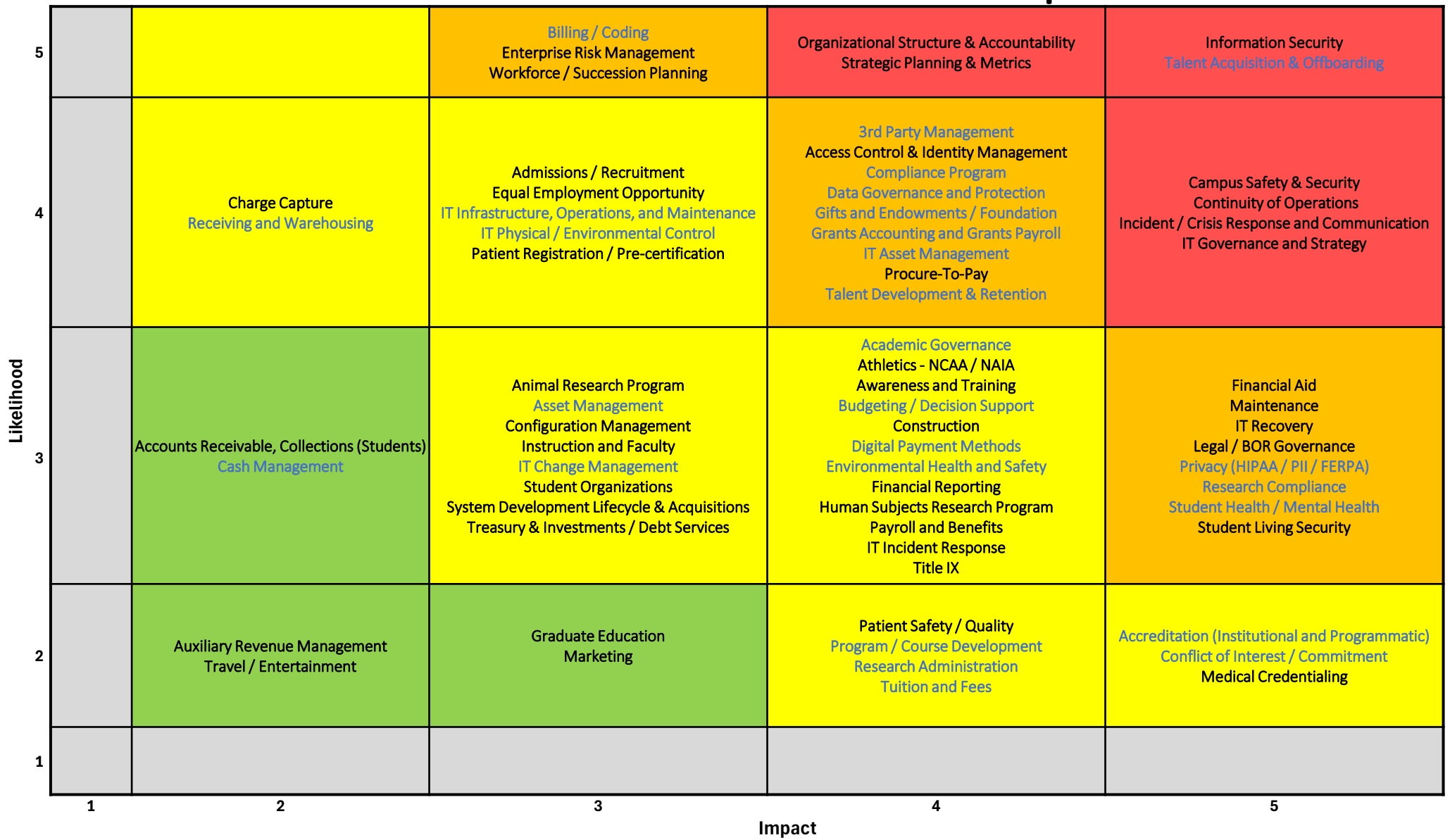
- ✓ Distribution of risks across the auditable units - Critical to Low risk
- ✓ Determined overall and campus level risk score
- ▪ *See slide 12 for Inherent Risk Assessment Heap Map*

- ✓ Audit Plan includes 21 reviews:
  - 14 Assurance
  - 3 Advisory
  - 4 Mandatory
- ✓ FTE and outsource providers will execute proposed audit plan
- ✓ A budget of ~$2.56M will provide resources to execute the proposed plan
- ▪ *See slide 13 for Audit Plan*

2025 Inherent Risk Assessment Heat Map

- Balanced coverage of risks & operations
- The Critical Risk areas are approximately ~12% of the Audit Universe and FY25 audit coverage is 13% - given previous coverage and addressed through strategic committees
- Overall, 39% (27/69) Auditable Units in scope. In scope does not mean full coverage

Bold Blue Font = Some coverage in Audit Plan



Key:
Inherent Risk Rating:
C – Critical Risk
H – High Risk
M – Medium Risk
L- Low Risk

FY25 Internal Audit Plan

Plan Highlight:

Based on the annual risk assessment, current strategic UNTS Enterprise initiatives and ongoing focus on open audit findings, the UNTS Internal Audit Plan for FY25 was created.

Red – Assurance
Black – Advisory
Blue – Continuous Monitoring

Inherent Risk Rating:
C – Critical Risk
H – High Risk
M – Medium Risk
* - Mandatory

Risk Category	UNT System	UNT	UNTHSC	UNT Dallas
People	HR Talent Planning, Acquisition, Development and Retention (C)			
	Student and Employee Mental Health Management (H)			
Financial		Tuition and Fees - Ongoing UNT (M)	Tuition and Fees –Ongoing HSC (M)	Tuition and Fees-Ongoing UNTD (M)
				Strategic Budget Expense Review (H)
Strategic	*CAE Involvement in Strategy development as part of Chancellor Cabinet. Risk mitigation activities through governance / control discussions in forums provide for monitoring of strategic risks.*			
Compliance	Compliance Program Maturity Assessment (H)	Compliance Program Maturity Assessment (H)		Compliance Program Maturity Assessment (H)
	Data Privacy (FERPA, HIPAA) (H)			
			Joint Admission Medical Program*	
Technology	IT Change Management (M)			
	Data Center Migration and Readiness (M)			
Operations		Asset Management (M)		
		Research and Grants Management (H)		
		Cash & Digital Payment Management (L)		
		Medical Billing (H)		Medical Billing (H)
	Third-Party Framework Development (H)			
	Annual Assessment of Procurement Practices*			
			Faculty Development*	
			Family Medicine*	
Governance				Academic Development and Governance (M)
	IT Governance (C)			
Brand/ Reputation		Gifts and Endowments –Foundation Operations (H)		
Envir., Social, Safety		Health and Environmental Laboratory Safety (M)		

See appendix 2 for Audit Plan Details

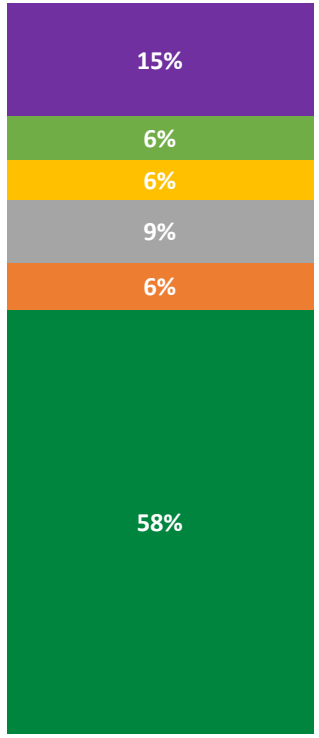
Internal Audit Organization and Resources

For FY25, the focus is primarily on assurance and mandatory audits. However, there are many interactions outside of formal / informal engagements, where Internal Audit collaborates with management and the Institutions to advise or monitor changes in risks (e.g., Advisory, Continuous Monitoring).

Budget:

FY25 Plan (proposed) - $2.56M - slight increase from prior year – resulting from outsourcing contract inflationary increase.

- Our budget does not include unallocated capacity. Additions will result in either a budget request or a replacement of a scheduled review.
- Continue using full time employees in combination with co-sourced resources from audit consulting firms.
- Co-sourcing used to augment staffing and internal audit expertise and provide industry best practices.



Resource Allocation

- Advisory/ Continuous Monitoring
- Follow-up
- Investigations
- Development - Operations
- Mandatory
- Assurance

Allocation Category Definitions:

- **Assurance** – Risk-based independent audit
- **Mandatory** - Audits required by the State of Texas, Regent Rule, or grant awards
- **Development – Operations** – Non-audit activities to support internal audit
- **Investigations** - Reserved for investigations that may arise during the year
- **Follow-up** - Procedures to verify the status of corrective action plans
- **Advisory –** Consulting on strategic projects and improving process efficiency
- **Continuous Monitoring** - Monitoring events impacting the UNT System Enterprise risk profile

Appendix

5 Year Coverage History

5 Year Coverage History

Key:
✓ - Covered Entity
P – Partial Coverage
AD – Advisory
CM – Continuous Monitoring
I - Investigation
3rd – Third Party
SAO – State Auditors Office

Inherent Risk Rating:
C – Critical Risk
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L- Low Risk

Audit Universe Primary Category/Entity	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Academic Affairs / Experiential Medical Training						
Accreditation (M)						✓
Academic Governance (M)			I			✓
Instruction and Faculty (M)					I	
Program / Course Development (M)						✓
Graduate Education (L)						
Auxiliary Services						
Digital Payment Methods (M)	✓					✓
Auxiliary Revenue Management (L)	✓	✓				
Cash Management (L)	✓					✓
Brand & Reputation Management						
Incident / Crisis Response and Communication (C)				✓	✓	
Marketing (L)						
Campus Safety						
Campus Safety & Security (C)			CM	✓		
Student Living Security (H)	✓					
Environmental Health and Safety (M)						✓
Compliance						
Athletics - NCAA / NAIA (M)		✓	P		✓	
Conflict of Interest / Commitment (M)	P	P			CM	✓
Compliance Program (H)			✓	✓	CM	✓
Privacy (HIPPA / PII / FERPA) (H)				3rd		✓
Title IX (M)				P		
Equal Employment Opportunity (M)	P		P	✓		
Facilities Management						
Construction (M)		✓				
Maintenance (M)					✓	

Audit Universe Primary Category/Entity	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Finance						
Budgeting / Decision Support (M)	✓	✓				✓
Treasury & Investments / Debt Services (M)	✓	✓	✓	✓		
Asset Management (M)			CM		P	✓
Accounts Receivable, Collections (Students) (L)					SAO	
Financial Reporting (M)	✓/3rd	3rd	3rd	3rd	3rd	3rd
Travel / Entertainment (L)	✓	✓			I	
Governance						
Organizational Structure & Accountability (C)					CM/CAE	CM/CAE
Strategic Planning & Metrics (C)					CM/CAE	CM/CAE
Enterprise Risk Management (H)					CM/CAE	CM/CAE
Legal / BOR Governance (H)				Delayed	CM/CAE	CM/CAE
Continuity of Operations (C)						CM/CAE
Human Resources						
Talent Acquisition & Off-boarding (C)				Delayed	CM/P	✓
Talent Development / Retention (H)					CM/CAE	✓
Workforce / Succession Planning (H)		P				P
Awareness and Training (M)		✓	✓			
Payroll & Benefits (M)	✓	✓	P	P	P	P

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Medical Patient Revenue Cycle						
Billing / Coding (H)			✓			✓
Charge Capture (M)			✓			
Patient Registration / Pre-certification (M)			✓			
Patient Care Operations						
Medical Credentialing (M)					✓	
Patient Safety / Quality (M)						
Research						
Animal Research Program (M)						
Human Subjects Research Program (H)					✓	✓
Research Administration (M)	✓	✓	P	P	P	✓
Grants Accounting and Grants Payroll (H)	✓	✓	P	P	P	✓
Research Compliance (H)			P	✓		✓
Student Enrollment and Financial Management						
Tuition and Fees (M)		✓	✓	✓	✓	✓
Financial Aid (H)	✓	✓			SAO	SAO / P
Admissions / Recruitment (M)	✓		P			
Student Services						
Student Health / Mental Health (H)		✓			P	✓
Student Organizations (M)	✓				P	
Supply Chain						
Procure-To-Pay (H)	✓	✓	✓	✓, I	✓	P
Third-Party Management (H)			P	✓	AD	AD
Receiving and Warehousing (M)	✓				P	✓

Audit Universe Primary Category/Entity	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Technology						
IT Recovery (H)			✓	P	P	
Information Security (C)		P	✓	✓	SAO	3rd
IT Governance and Strategy (C)				3rd	AD	AD
Access Control & Identity Management (H)			P	✓	AD	
Data Governance and Protection (H)	P		P	3rd		✓
IT Incident Response (M)		✓		P		
IT Asset Management (H)		P	P	P		✓
IT Physical / Environmental Controls (M)			✓			✓
IT Infrastructure, Operations, and Maintenance (M)	✓			✓		✓
Configuration Management (M)			P	P		
IT Third-Party Management (H)			P	✓	AD	AD
IT Change Management (M)		✓				✓
System Development Lifecycle & Acquisitions (M)			P			
University Relations						
Gifts and Endowments / Foundation (H)				P		AD

Supplemental Material:

FY25 Internal Audit Plan Detail

FY25 Audit Plan Detail

Entity	Audit Name	Business Outcome	Rationale	Auditable Unit
Academic Governance / Experiential Medical Training				
UNTD	Academic Development and Governance (M)	Effective oversight of the institution's academic activities: help to ensure student outcomes are assessed regularly and achieved; maintains high standards of quality and accreditation; prioritizes programs appropriately; and ensures accountability, and the overall student experience.	Academic Governance is a core institutional and strategic function that leads directly to institutional performance. Limited previous audit coverage in this domain.	• Academic Governance (M) • Accreditation (M) • Program/Course Development (M)
Auxiliary Services				
UNT	Cash and Digital Payments Management (L)	Receipt of cash and digital payments are securely managed, accurately recorded and comply with all payment card industry (PCI) requirements	High potential for fraud risk related to cash. Increased use of digital payment methods.	• Cash Management (L) • Digital Payment Methods (M)
Medical Payment Revenue Cycle				
UNT, UNTD	Medical Billing (H)	Healthcare billings are performed completely, accurately and timely, and support reimbursement requirements, while complying with federal regulations.	Numerous clinical areas exist at UNT and UNT Dallas, supported by HSC. No recent audit coverage.	• Billing / Coding (H)

Inherent Risk Rating:
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FY25 Audit Plan Detail

Entity	Audit Name	Business Outcome	Rationale	Auditable Unit
		Compliance		
Enterprise	Data Privacy (FERPA, HIPAA) (H)	Personal data is identified, collected, handled, and protected in compliance with regulations (e.g., FERPA, HIPAA). Appropriate insurance coverage exists, and communication protocols are established in the event of a data breach event.	Increased attention on privacy concerns from public and regulators. Limited recent coverage of data privacy in UNTS Enterprise.	• Privacy (FERPA, HIPPA) (H) • Data Governance and Protection (H)
UNTS, UNT, UNTD	Compliance Program Maturity Assessment (H)	Compliance Programs are adequately designed, implemented, and monitored in line with the Department of Justice Sentencing Guidelines.	Assess current maturity level based on previously identified corrective actions completed.	• Compliance Program (H)
		Finance		
UNTD	Strategic Budget Expense Review (M)	Expenses are adequately budgeted in line with strategic objectives and resource needs.	Transition in Presidential leadership	• Budgeting / Decision Support (M)
UNT	Asset Management (M)	Assets are appropriately procured, tracked, received, maintained, and protected until appropriate disposition. Assets are accurately captured within tracking and financial systems.	Limit recent coverage. A disparate process executed by numerous individuals.	• Asset Management (M) • IT Asset Management (H) • Receiving and Warehousing (M)

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FY25 Audit Plan Detail

Entity	Audit Name	Business Outcome	Rationale	Auditable Unit
		Financial Aid		
UNTHSC	Joint Admission Medical Program (JAMP)	The Institution is in compliance with the JAMP Agreement requirements and Expenditure Guidelines.	Mandatory audit	• Financial Aid (H)
		Human Resources		
Enterprise	HR Talent Planning, Acquisition, Development and Retention (C)	Attract, retain, and develop top talent in line with strategic resource needs to ensure strategic, operational and faculty needs are fulfilled with quality and effectiveness.	Staff turnover, retirement and lack of robust people systems. No recent audit activity.	• Talent Acquisition & Offboarding (C) • Talent Development & Retention (H) • Workforce / Succession Planning (H)
		Institutional Safety		
UNT, UNTHSC	Health and Environmental Laboratory Safety (M)	Safe and secure acquisition, maintenance and monitoring of laboratory equipment meets health and environmental standards. All faculty and students are trained appropriately in safe use of equipment.	Increase in research and subsequential use of laboratory facilities	• Environmental Health and Safety (M)

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FY25 Audit Plan Detail

Entity	Audit Name	Business Outcome	Rationale	Auditable Unit
		Research		
UNT, UNTHSC, UNTD	Research and Grants Management (H)	Grants are managed in compliance with regulations and laws, ensuring thorough and timely reporting, and accurate pre-/post-award administration.	Research growth. Increased size and complexity of grants enhance the need for oversight and adequate resources	• Research Compliance (H) • Research Administration (M) • Conflict of Interest / Commitment (M) • Grants Accounting and Payroll (H)
UNTHSC	Faculty Development	Texas Higher Education Coordinating Board (THECB) program funds were expended in accordance with the terms and conditions of the Faculty Development Center Support Grant contract. Also, the Annual Financial Report was prepared in accordance with THECB guidelines.	Mandatory audit	• Grants Accounting and Payroll (H) • Research Administration (M)
UNTHSC	Family Medicine	THECB program funds were expended in accordance with the terms and conditions of the Family Medicine Residency Program contract. Also, the Annual Financial Report was prepared in accordance with the THECB guidelines.	Mandatory audit	

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FY25 Audit Plan Detail

Entity	Audit Name	Business Outcome	Rationale	Auditable Unit
Student Enrollment and Financial Management				
UNT, UNTHSC, UNTD	Tuition and Fees - Ongoing Assurance (M)	Resident and non-resident tuition rates and fees for Undergraduate and Graduate students are accurate and timely billed.	Important revenue driver and potential impact of errors on student accounts.	• Tuition and Fees (M)
Student Services				
Enterprise	Student and Employee Mental Health Management (H)	UNTS Enterprise provides appropriate and timely mental health support to students and employees. Providers are appropriately trained and compliance reporting (e.g., Clery) is submitted accurately and timely.	Increase in mental health support. Health and Safety programs not recently reviewed.	• Student Health / Mental Health (H) • Payroll and Benefits (M)
Supply Chain				
Enterprise	Third-Party Framework Development (H)	Development of an effective framework for the selection, ongoing monitoring and offboarding of third-party providers in line with the risk profile and in compliance with laws.	Enterprise-wide program under development	• 3rd Party Management (H)
Enterprise	Annual Assessment of Procurement Practices	The University of North Texas System has adopted the rules and policies required by Texas Education Code § 51.9337 requirement.	Mandatory audit	• Procure to Pay (H) • Conflict of Interest / Commitment (M)

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FY25 Audit Plan Detail

Entity	Audit Name	Business Outcome	Rationale	Auditable Unit
		Technology		
Enterprise	IT Change Management (M)	Ensure seamless and secure transition in IT systems and processes, minimizing disruptions to educational services and enhancing overall operational efficiency.	Recent enterprise changes to this process. Request by management to ensure effective and efficient process.	• IT Change Management (M)
Enterprise	Data Center Migration and Readiness (M)	Infrastructure and data are migrated completely and accurately to primary and backup data centers with minimal disruption to data information access.	New primary and backup datacenters are introduced in the eco-system	• IT Physical and Environmental Controls (M) • IT Infrastructure, Operations and Maintenance (M)
		University Relations		
UNT, UNTHSC, UNTD	Gifts and Endowments - Foundation Operations (H)	Foundation operations enable the maximization of private financial support, manage investments effectively and use funds in the furtherance of the UNTS Enterprise mission.	Strategic area with no recent coverage.	• Gifts and Endowments / Foundation (H)

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