

JACKSONVILLE STATE UNIVERSITY
INTERNAL AUDIT PLAN

2021-2022

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OFFICE OF INTERNAL AUDIT

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EXECUTIVE SUMMARY

Background: The Jacksonville State University (JSU) Board of Trustees (BOT) Audit, Risk, and Compliance Charter and the JSU Internal Audit Charter require the Office of Internal Audit (IA) to prepare and present an annual audit plan (plan) to the BOT Audit, Risk, and Compliance Committee for approval. The methodology used in preparing this plan consists of the following: (1) identification of auditable areas, otherwise known as the audit universe, (2) Enterprise Risk Assessment results, (3) identification of annual audit mandates, and (4) input from members of the President’s Cabinet and other JSU Leaders. Matters considered in establishing audit work schedule and priorities include, but are not limited to, (a) the date and results of the last audit; (b) financial exposure; (c) potential loss and risk; (d) requests by management; (e) major changes in operations, programs, systems, and controls; and (f) opportunities to achieve operating benefits.

Methodology

Identification of Audit Universe: The Audit Universe aligns with the Risk Universe established in the Enterprise Risk Assessment and is categorized as follows:

- ✓ Academic Affairs
- ✓ Student Affairs
- ✓ Advancement, Development & Enrollment
- ✓ Athletics
- ✓ Government Relations
- ✓ Legal & Internal Audit
- ✓ Finance & Administration, including Human Resources
- ✓ Student Success
- ✓ Information Technology
- ✓ Program Operations

Enterprise Risk Assessment (ERA) Results: An Enterprise Risk Assessment was executed in FY 2020-2021 and identified risks in the following areas:

Audit Universe Area	# (%) of High Risk	# (%) of Moderate Risk
Academic Affairs	2 (13%)	4 (58%)
Advancement & Development	0	1 (14%)
Enrollment	2 (13%)	1 (14%)
Finance & Administration	6 (38%)	0
Governmental Relations	1 (5%)	0
Human Resources	2 (13%)	1 (14%)
Information Technology	2 (13%)	0
Student Success	1 (5%)	0

Annual Audit Mandates: Requires allocation of audit resources as follows:

- Follow-up activity required by the Institute of Internal Auditors (IIA) Standards
- Special projects and ethics investigations required by institutional policy
- Rules-Compliance audits required by the National Collegiate Athletics Association (NCAA)
- Assistance provided to other state, federal, and external sponsor auditors such as the Alabama Department of Examiners of Public Accounts (ADEPA), the Department of Education (ED), JSU's External CPA firm (Warren Averitt)

Audit Resources

The Office of Internal Audit is staffed with one Full Time Equivalent (FTE) and two Interns (which are considered 0.5 FTE each); therefore, man-hour calculations start at 4160 hours (52 weeks x 40 hours x 2 = 4160 hours). To determine auditable hours (hours allocated to execute audits) the following hours are subtracted from the 4160 hours:

Hour Type	Description	Hours (%)
GROSS HOURS	Total hours available (2 FTE)	4160
Administration	Hours assigned to support the Board of Trustees, policy management, records management, and the IA Interns	-720 (17.3%)
Training	40 hours assigned for one training conference for Chief Internal Auditor and approximately 33% of IA Intern time for training (1040 x .33 x 2 = 686)	-726 (17.5%)
Holiday	Hours JSU is closed (x 2)	-352 (8.4%)
Annual Leave	Hours accrued in 2021-2022	-96 (2%)
Sick	Hours accrued in 2021-2022	-96 (2%)
AUDITABLE HOURS	Total hours available to audit	2170 (52%)

The Internal Audit Auditable hours for 2021-2022 are allocated as follows:

Audit Project	Factor	Area	Hours	%
Follow Up Athletic Camps Audit	IIA	Athletics	240	11%
Continuing Education Audit	Cabinet	Academic Affairs	240	11%
Follow Up IT Audit	IIA	IT	160	7%
Budget Process Audit	ERA	Finance	320	15%
Cash Management Audit	ERA	Finance	320	15%
Student Assistance Fund Review	NCAA	Athletics	40	2%
Academic Enhancement Fund Review	NCAA	Athletics	40	2%
NCAA Report Review	NCAA	Finance	160	7%
Special Projects	Cabinet/BOT	TBD	328	15%
Investigations	As Needed	TBD	328	15%

Office of Internal Audit Staff: The Office of Internal Audit is comprised of the Chief Internal Auditor and two (2) rotating, part-time interns from the School of Business and Industry.