Annual Audit Plan

Office of Internal Audit and Management Advisory Services
Annual Audit Planning Process – Why?

• Required to comply with IIA Standard 2010
• Required to submit to UNC System Office/BOG
• Determine the priorities of the Internal Audit team based on assessment of risks that may affect ECU’s ability to accomplish its objectives
• Coordinate with all compliance and risk units to avoid duplication and ensure key risks are covered
Annual Audit Planning Process – How?

**Continuously** Assess and Monitor Risk / Update Audit Universe and Plan

### Define/Update Audit Universe
- Ensures completeness of risk coverage
- Vision, mission, and strategic plan
- Latest financial statement
- Financial balances
- Organization charts, chart of accounts
- Recent internal and external audits completed and results

### Conduct Bottom-Up Risk Assessment
- Ratings based on objective guidance; judgment applied
- Criticality of unit
- Internal Control
- Public or political sensitivity
- Legal and regulatory requirements
- Changes in management
- Financial Impact
- Fraud and Abuse

### Conduct Top-Down Risk Assessment
- Facilitated by ERM
- Uncovers issues impacting University at an enterprise level
- Links to strategic objectives
- Identifies most critical risk (strategic, operational, compliance, reputational, financial)

### Other Items Assessed
- Review other ECU compliance and assurance providers’ plans & reviews
- Review latest findings from State Audit reports
- Review UNC KPIs and Internal Control Assessments
- Discuss with VCs and key management personnel
- Review industry literature for emerging risks and hot topics

### Develop Audit Plan
- Based on prioritized audit universe, top-down assessment
- Include management requests
- Determine if pending audits from previous plan need to be brought forward
- Determine follow-up reviews
- Determine available auditor hours

### Finalize Plan
- Share with Vice Chancellors
- Approval by Chancellor
- Approval by ECU BOT Audit Committee
- Submit to UNC SO
- Submit to NC Council of Internal Auditing

---

Protecting the Pirate Treasure
Annual Audit Planning Process – Result

• A work plan/list of priorities for the IA team
• Includes hours for unplanned consultations and investigative audits – based on historical trends
• Flexible; can and will change as new priorities emerge
• Changes will be brought to the Chancellor and BOT/Audit Committee for approval