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 the assessment of risks that may affect ECU’s ability to accomplish its objectives
- Coordinate activities of all compliance and risk units to avoid duplication and ensure key risks are covered
Annual Audit Planning Process – How?

- 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
  - Present to Executive Council for Discussion
  - Approval by Chancellor
  - Approval by ECU BOT Audit Committee
  - Submit to UNC GA
  - Submit to NC Council of Internal Auditing

Continuously Assess and Monitor Risk / Update Audit Universe and Plan
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