FISCAL YEAR 2016 AUDIT PLAN

The Office of Internal Audits is currently staffed by one employee, the Director. This position was vacant from September 2015 through mid-February 2016 necessitating a reduced audit plan for FY 2016. Allocable time after consideration of University holidays, vacation and sick leave is approximately 1,100 hours.

An audit plan should include a combination of financial, compliance, operational, efficiency, effectiveness, and fraud audits. The performance of required audits, along with special projects, investigations, meetings and committee service, departmental activities and administration will use the resources of the Office of Internal Audits. Due to the reduced hours available, one audit is scheduled for FY 2016, the Texas Administrative Code (TAC) 202 Assessment.

TAC 202 requires public higher education institutions to protect their information resources through a robust information security program. These security standards require administrative, technical and physical controls to be thoroughly developed and implemented, and security programs to be continuously monitored to ensure continued compliance.

Listed below are the details for the FY 2016 Audit Plan.

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance Audit</td>
<td>TAC 202 – information security program audit; includes meetings with IT, consultations with external auditors, report review, and monitoring disposition of any findings</td>
<td>300</td>
</tr>
<tr>
<td>Special Projects</td>
<td>Compliance and Ethics Program – facilitate creation of policies, creation of compliance matrix and calendars, attending committee meetings as required by SB 20 (84th Legislature).</td>
<td>200</td>
</tr>
<tr>
<td>Special Projects</td>
<td>Others – based on requests from Board of Regents, the President or management</td>
<td>60</td>
</tr>
<tr>
<td>Meetings</td>
<td>Board of Regents – preparation and attendance</td>
<td>40</td>
</tr>
<tr>
<td>Meetings</td>
<td>Others – attend meetings and events as deemed necessary</td>
<td>24</td>
</tr>
<tr>
<td>Department Activities</td>
<td>Preparation of Annual Audit Plan and Report</td>
<td>100</td>
</tr>
<tr>
<td>Department Activities</td>
<td>Creation of an internal audit mission statement, web page, and policies.</td>
<td>200</td>
</tr>
<tr>
<td>Department Activities</td>
<td>Research and purchase audit software.</td>
<td>40</td>
</tr>
<tr>
<td>Department Activities</td>
<td>Professional development, maintain certifications, training and travel.</td>
<td>96</td>
</tr>
<tr>
<td>Department Activities</td>
<td>General and administrative tasks; planning, purchasing, scheduling, etc.</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL ALLOCATED HOURS</strong></td>
<td><strong>1,100</strong></td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL ANNUAL HOURS</strong></td>
<td><strong>1,144</strong></td>
</tr>
<tr>
<td></td>
<td>Less estimated hours for:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>University holidays, vacation, sick time</td>
<td>(44)</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL AVAILABLE HOURS</strong></td>
<td><strong>1,100</strong></td>
</tr>
</tbody>
</table>