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North Dakota University System  
FY24 Risk Based Internal Audit Plan

On an annual basis, data is gathered from NDUS institutions, industry best practices and emerging risks to create the internal audit plan.

FY24 General description of Audit Engagements or Follow-up	Est. Hours	Approximate % of Total	Comments
Follow-Up Reviews and Prior Not Implemented (PNI)			
PSFT Generic accounts	40		
LRSC Admissions	40		



NORTH DAKOTA  
STATE BOARD OF HIGHER EDUCATION  
Policy Manual

Policy: 302.2 Audit Committee  
Effective: May 29, 2020

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1. The SBHE shall establish an audit committee to fulfill oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the process for monitoring compliance with laws, policies, regulations and the code of conduct. The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility including
  - a. Appoint, compensate, and oversee the work of any registered public accounting firm

~~financial matters~~ Each committee member shall be both independent and financially literate.  
SBHE ~~president~~ Chair will appoint committee members as well as the committee chair by June 30<sup>th</sup>



c. Organization:

- i. The NDUS chief audit executive (executive) reports functionally to the Audit committee and administratively to the NDUS Chancellor
- ii. The NDUS compliance officer (officer), reports directly to the Vice Chancellor for Administrative Affairs with an indirect reporting line to the Audit committee
- iii. The Audit committee will or shall ensure that there are no unjustified restrictions or limitations in the course of performing auditing engagements including restrictions on the scope of work and access to required information
- iv. Approve the decisions regarding and review and concur the appointment and removal, replacement or dismissal of the executive or the officer.
- v. Obtain regular updates from the executive and the officer, management, the SBHE, and the attorney general regarding relevant matters.
- vi. Review with the executive or the officer the internal audit or compliance budget, resource plan, activities and organizational structure.
- vii. At least once per year, review the performance of the executive and the officer and recommend the annual compensation and salary.

d. Internal audit:

- i. Approve an internal audit charter.
- ii. Approve the risk-based annual audit plan and all major changes to the plan. Review the internal



1. IntroductionINTRODUCTION:-

Internal Auditing is an independent and objective assurance and consulting activity that is

b. The NDUS Internal Audit CAE will report functionally to the Audit Committee and administratively (i.e. day to day operations) to the NDUS Chancellor.

c. NDSU and UND directly employ their own internal audit staff. The NDSU and UND internal auditors follow the North Dakota Institutions internal audit charter.

#### 4. Authority

The internal audit activity, with strict accountability for confidentiality and safeguarding records and information, is authorized full, free, and unrestricted access to any and all NDUS (and affiliated organizations) records, physical properties, and personnel pertinent to carrying out any engagement. All NDUS (and affiliated organizations) employees are requested to assist the internal audit activity in fulfilling its roles and responsibilities. The internal audit activity will also have free and unrestricted access to the Board Audit Committee.

#### 5. ORGANIZATION:-

~~a. The internal audit activity of NDUS will consist of the NDUS chief audit executive (CAE) and any internal audit staff or consultants hired by the system or any of the institutions which comprise the NDUS system.~~

~~b. The CAE will report functionally to the Audit Committee and administratively (i.e. day to day operations) to the NDUS Chancellor~~

~~c. Institutionally based internal audit activity will report functionally and administratively to the institutional chief executive officer and if warranted, to the Audit Committee~~

~~d. In the event that institutionally based internal audit activity is performed w. [(g ( th)2 )-4 d-2 (e)4 (m)-2 (he)4 ( 15.25 418 0 9 412.58~~







organization.

~~d. Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.~~

e.



i. Submit, at least annually, to the Chancellor and the Audit Committee a risk

shall ensure that the





carrying out assigned responsibilities to achieve the organization's stated goals and objectives. This includes:

a. Evaluating risk exposure relating to achievement of the organization's strategic objectives.

b.

c. The Institutions' internal audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of the Institutions' chief executive officers. The Institutions' internal auditors will review and adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls. The chief executive officers will provide adjusted plans to the Audit Committee Chair. The chief executive officers will receive feedback from the Audit Committee Chair and will work with their internal auditors to review and adjust the plan as necessary.

d. The majority of audits are planned, however that does not preclude Institutions' internal auditors from conducting unplanned audits, following the same standards of engagement and reporting as planned audits. As unplanned projects are required, they are included in the overall plan for the year. Any significant deviation from the approved internal audit plan will be communicated to the Audit Committee by the Institutions' chief executive officers through periodic activity reports.

#### REPORTING AND MONITORING:

a. A written report will be prepared and issued by the Institution's internal audit staff following the conclusion of each internal audit engagement and will be provided to their Institutions' chief executive officers.

b. Internal audit reports issued by the Institution's internal auditors will be provided to the CAE and Audit Committee.

c. The Institutions' internal audit reports may include management's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response, whether included within the original audit report or provided thereafter (i.e. within thirty days) by management of the audited area should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

d. The Institutions' internal auditors will be responsible for appropriate follow-up on engagement findings and recommendations. Audit follow-up reports will be provided to the CAE and Audit Committee. All significant findings will remain in an open issues file until cleared.

e. Reporting will also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Institutions' chief executive officers or the Audit Committee.