

Portland State University  
Fiscal Year 2019 Internal Audit Plan



Portland State  
UNIVERSITY

June 2018

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**TABLE OF CONTENTS**  
**Fiscal Year 2019 Internal Audit Plan**

<b>Description</b>	<b>Page</b>
Cover Page	1
Table of Contents	2
Plan Overview	3
Internal Audit Plan & Budgeted Hours for FY 2019 – Exhibit A	4-5
FY 2019 Entity Wide Risk Assessment – Exhibit B	6
FY 2019 Top 10 Risk Scores and Potential Risks - Exhibit C	7-10
Risk Factors, Scoring Criteria, & Audit Plan Approval Process – Exhibit D	11-14
Auditable Units Defined – Exhibit E	15-20

## PLAN OVERVIEW

This document provides the FY 2019 Internal Audit Plan as required by professional auditing standards.

### **AUDIT PLAN – Exhibit A**

The final audit plan covers a 12-month period beginning July 1, 2018 through June 30, 2019. This plan includes internal audits selected based on the results of the entity wide risk assessment performed by Portland State University's (PSU) Internal Audit Office (IAO), input from various stakeholders and managers throughout the university, and input and approval from the Executive & Audit Committee.

### **PRIORITIZED POTENTIAL AUDITS – Exhibit B**

The IAO prioritized the university's departments, or auditable units, by sorting the units from highest risk to lowest risk based on scoring criteria used for the entity wide risk assessment. The IAO analyzed the results to determine if risk ratings were consistent with what professional judgment would expect. In addition, the IAO considered significant changes in processes units are currently undergoing and/or will be undergoing in the near future to help identify the timing of when an Internal Audit should occur. This resulted in the prioritized ranking of audits.

### **2019 TOP 10 RISK SCORES & POTENTIAL RISKS – Exhibit C**

This exhibit helps outline the top 10 audit units by overall risk score and what potential risks could occur in these areas if internal controls are not implemented and functioning effectively.

### **RISK FACTOR DEFINITIONS AND SCORING CRITERIA – Exhibit D**

The IAO established risk criteria, based on best practices implemented by other Internal Audit Departments throughout governmental and higher education entities, to be used in determining the overall risk for each potential audit unit. The IAO scored risk for each auditable unit by: receiving input from key stakeholders throughout the university; scoring the complexity of each unit; scoring the significance of the impact an error and/or weakness would have to the college as a whole if a detrimental event were to occur in that unit; scoring the significance of revenues and expenditures flowing through the unit; and scoring risk based on the IAO's professional judgment.

### **AUDIT ENTITIES – Exhibit E**

Exhibit E provides an overview of the audit universe at the university (i.e. "what is auditable"). Defining the audit universe is a critical step in helping plan future internal audits at the university. Each auditable unit must be distinct and contain activities structured to obtain common objectives. For the FY 2019 entity wide risk assessment, there are 35 auditable units.

## Internal Audit Plan

July 1, 2018 through June 30, 2019

<b>Audit #</b>	<b>Engagement Title</b>	<b>Hours*</b>	<b>Timeframe**</b>	<b>Comments</b>
Risk Assessment	4th Annual Risk Assessment	100	Mar-June 2018	Required by IIA auditing standards.
<b>Tier I Audits</b>				
2019-1	EMSA – Recruiting processes & travel expenditures	Estimated at 575 hours	Jul-Dec. 2018	
2019-2	University Remissions	Estimated at 550 hrs.	Jul-Dec. 2018	
2019-3	Construction Cost Audit – Phase II	Estimated at 100 hrs.	Aug.-Oct. 2018	IAO liaison with an external firm contracted for this work.
2019-4	SQMS	Estimated at 200 hours	Nov.-Feb. 2019	
2019-5	Jim Sells and Child Care Funding	Estimated at 500 hours	Nov.-Feb. 2019	
2019-6	IT Security Plans for Sponsored Projects	Estimated at 500 hours	Feb.-June 2019	
2019-7	Testing Assistance for External Audit <sup>^</sup>	Estimated at 475 hours	June 2018.-Mar. 2019	Contractually agreed upon with external audit firm.
2019-8	Risk Mgmt – Follow-Up audit	Estimated at 100 hours	May-June 2019	
SPECIAL REVIEWS	Special reviews	500	Fiscal Year 2019	Special reviews are largely based on the # of Hotline reports received during the year.
CONSULT	Consulting Work	150	Fiscal Year 2019	Consulting work as needed/requested by mgmt.
	<b>Total Audit Hours for FY 2018</b>	<b>3,750</b>		
INDIRECT	Indirect hours for FY 2019	410	Fiscal Year 2019	Hours estimated for training, leave time, & mgmt. meetings.
	<b>Total Budgeted Hrs</b>	<b>4,160</b>		
<b>Tier II Audits</b>				
2020-1	5 Year Peer Review of Internal Audit	Estimated at 150 hours	Estimated for early FY 2020	
2020-2	CLAS – Machine Shops	Estimated at 550 hours	Estimated for early FY 2020	

\* Hours may be adjusted as needed based on scope and objectives of the planned audit and potential issues identified during fieldwork.

\*\* Dates may be adjusted as needed to avoid a negative impact on PSU projects, available staff and resources.

<sup>^</sup> External audit testing assistance helps provide coverage for Research & Strategic Partnerships; Financial Aid; and Financial Services, Treasury, and Budget

**Audit Plan**  
Description of Audits  
July 1, 2018 through June 30, 2019

Audit #	Description
2019-1	Audit will focus on how Enrollment Management and Student Affairs strategically plans recruiting trips, monitors applicants from trips, and uses data to help determine where future recruiting trips occur. Audit will also review financial controls and expenditures over these trips.
2019-2	University-wide internal controls over tuition remissions for fiscal years 2017 and 2018 will be reviewed and tested to gain reasonable assurance that controls are implemented and effective and proper segregation of duties exist in the awarding and disbursement process.
2019-3	External audit firm will be auditing internal control processes related to the Neuberger Hall construction project. Also, transactions will be audited to help ensure accountability and stewardship of public funds. This will be a multiple phase audit, with this project representing phase II of the external audit firm's contracted work.
2019-4	Audit of the Summer Qualitative Management Series conferences hosted at PSU will be reviewed and related financial controls, revenues, and expenditure transactions will be audited in detail.
2019-5	Audit will review the use and management of Jim Sells funds. Jim Sells funds are managed by the Resource Center for Students with Children, which is a department within the EMSA audit unit. Jim Sells funds are earmarked to help PSU students cover the costs of child care while they attend PSU.
2019-6	Audit will review IT security plans that the Office of Information Technology in collaboration with Research and Strategic Partnerships have created and implemented at PSU to be able to qualify for and accept certain federal grants and/or sensitive data for research. Audit will review IT security risks and controls implemented by PSU to mitigate risks related to these grants and data.
2019-7	External audit assistance is planned to be provided to external auditors for the fiscal year 2018 financial statement audit and A-133 federal compliance audit. The audit procedures IAO performs here provided reasonable assurance that key controls were implemented and were materially effective in the following auditable units: Research & Sponsored Projects; Financial Aid; Human Resources & Payroll, and Financial Services, Treasury, and Budget.
2019-8	Consulting and audit firm will be brought in to review the corrective actions management has implemented in relation to an audit of Environmental Health and Safety conducted in fiscal year 2017 as audit project # 2017-2
Risk Assessment	The annual risk assessment forms the basis of the audit plan. Auditing standards require the IAO to conduct an annual risk assessment to conform to standards.
Consulting	PSU management may ask Internal Audit for consulting services to be performed in accordance with the Mission & Authority Statement for the Internal Audit Department.
Special Reviews	Includes hours for unplanned, special requests for audit reviews and investigations arising from allegations received and/or actual detrimental events occurring at the university.

**EXHIBIT B**

**FY 2019 Prioritized Audit Risk Model – Auditable Units**

<b>Auditable Entity / Unit</b>	<b>Total Risk</b>	<b>Risk Ranking</b>	<b>PY Risk Score</b>	<b>Risk Category</b>	<b>IA Planned for FY'18?</b>
Office of Information Technology (OIT)	137	1	137	High	Yes
Financial Aid	132	2	101	High	Yes^
Research and Strategic Partnerships	131	3	131	High	Yes
Human Resources & Payroll	117	4	116	High	Yes^
Enrollment Management and Student Affairs (EMSA)	117	5	92	High	Yes
Planning, Construction, & Real Estate	115	6	115	High	Yes
Athletics	112	7	112	High	Yes^
Student Health and Counseling	101	8	96	High	No*
Risk Management	101	9	101	High	Yes
School of Public Health	100	10	99	High	No
Maseeh College of Engineering and Computer Science (MCECS)	99	11	96	Moderate	No*
Transportation and Parking Services (TAPS)	99	12	99	Moderate	No*
Office of Academic Affairs (OAA)	99	13	92	Moderate	No
Graduate School of Education (GSE)	99	14	87	Moderate	No*
University Place	98	15	95	Moderate	No*
Office of International Affairs	98	16	127	Moderate	No*
Financial Services, Treasury, and Budget	98	17	100	Moderate	Yes^
College of Urban and Public Affairs (CUPA)	95	18	76	Moderate	No*
College of Liberal Arts & Sciences (CLAS)	95	19	86	Moderate	Yes
Global Diversity and Inclusion	94	20	102	Moderate	No
Campus Public Safety Office (CPSO)	94	21	92	Moderate	No
School of Social Work (SSW)	91	22	92	Moderate	No*
General Counsel	91	23	89	Moderate	No
Housing & Residence Life	87	24	84	Moderate	No*
College of the Arts (COTA)	87	25	87	Moderate	No*
Government & Community Relations and Marketing and Communication	86	26	84	Moderate	No
Intensive English Language Program (IELP)	86	27	86	Moderate	No*
Office of the President and Board of Trustees	85	28	94	Moderate	No*
School of Business (SBA)	85	29	85	Moderate	No*
General University	80	30	80	Moderate	No*
Institutional Research	76	31	70	Low	No*
University Studies – (UNST)	63	32	63	Low	No*
Libraries	62	33	62	Low	No*
Honors College (HON)	60	34	60	Low	No*
Confucius Institute	39	35	38	Low	No

\* - IAO may indirectly audit aspects of this auditable unit via the planned audits for FY'19. For example, federal grant expenditures spent from CUPA's accounts in Banner may be sampled and tested for the fiscal year 2018 Financial Statement and/or A-133 federal compliance audits.

^ External audit testing assistance helps IAO provide coverage for Research & Strategic Partnerships; Financial Aid; Athletics; and Financial Services, Treasury, and Budget.

## Overview of Risks Identified in the Top 10 Risk Scores

#	Audit Unit	Risks(s) Identified	Impact to PSU if Risk Occurred
1	Office of Information Technology (OIT)	<ul style="list-style-type: none"> <li>a) Malicious attacks are not sufficiently mitigated, identified timely, and timely resolved;</li> <li>b) Software licensing requirements not achieved leading to fines;</li> <li>c) Disaster recovery and business continuity procedures are inadequate;</li> <li>d) User access to critical systems is not effectively monitored and administered.</li> <li>e) Monitoring of major IT contracts is not effective and adequate service level agreements are not in place to protect PSU.</li> <li>f) Risks related to hacking, social engineering, and potential data breaches.</li> </ul>	<ul style="list-style-type: none"> <li>a) Moderate to High</li> <li>b) Moderate</li> <li>c) Moderate</li> <li>d) Moderate</li> <li>e) Moderate</li> <li>f) High</li> </ul>
2	Financial Aid	<ul style="list-style-type: none"> <li>a) Turnover in personnel could lead to inconsistent adherence to policies, procedures, and compliance processes;</li> <li>b) Overpayments of financial aid to students;</li> <li>c) Federal regulations not adhered to related to financial aid funds and key compliance requirements;</li> <li>d) Scholarship and remission processes not adequately controlled and potential inadequate segregation of duties exist in the control procedures used for these financial transactions.</li> <li>e) Perkins program close-out procedures.</li> </ul>	<ul style="list-style-type: none"> <li>a) Moderate to High</li> <li>b) Moderate</li> <li>c) High</li> <li>d) Moderate</li> <li>e) Moderate to Low</li> </ul>

<p><b>3</b></p>	<p><b>Research and Strategic Partnerships</b></p>	<ul style="list-style-type: none"> <li>a) Requirements for export controls may not be implemented or effective.</li> <li>b) Recent changes in OMB compliance requirements may not be effectively implemented;</li> <li>c) High turnover in personnel could lead to inconsistent adherence to policies and procedures;</li> <li>d) Monitoring of major grants, contracts, and/or research may be deficient;</li> <li>e) Grant compliance requirements not adhered to.</li> <li>f) Internal controls over revenues and expenditures may be ineffective;</li> <li>g) Research misconduct allegations not effectively investigated;</li> <li>h) PI eligibility policies;</li> <li>i) IRB and human subject research compliance;</li> <li>j) IACUC and bio-safety lab requirements may not be effectively monitored/managed.</li> </ul>	<ul style="list-style-type: none"> <li>a) Moderate</li> <li>b) Moderate</li> <li>c) Moderate</li> <li>d) Moderate</li> <li>e) Moderate</li> <li>f) Low to Moderate</li> <li>g) Moderate</li> <li>h) Moderate</li> <li>i) Moderate</li> <li>j) Low to Moderate</li> </ul>
<p><b>4</b></p>	<p><b>Human Resources and Payroll</b></p>	<ul style="list-style-type: none"> <li>a) Pay inconsistencies and/or overpayments to personnel;</li> <li>b) Affordable Care Act compliance requirements not maintained;</li> <li>c) Turnover in personnel leads to inconsistent adherence to policies and procedures;</li> <li>d) Benefits granted to those that are ineligible;</li> <li>e) I-9 compliance requirements not being consistently followed;</li> <li>f) Performance evaluations not performed timely and/or not at all by managers;</li> <li>g) Overload pay, shift differential, and stipends lack consistent controls and questioned costs are incurred;</li> <li>h) Background checks not performed when required for positions.</li> <li>i) Data breach risk due to phishing and hacking.</li> </ul>	<ul style="list-style-type: none"> <li>a) Moderate</li> <li>b) Moderate</li> <li>c) Moderate to High</li> <li>d) Moderate to Low</li> <li>e) Moderate</li> <li>f) Low</li> <li>g) Moderate</li> <li>h) Moderate</li> <li>i) Moderate to High</li> </ul>



5	<b>Enrollment Management and Student Affairs</b>	<ul style="list-style-type: none"> <li>a) Internal controls and segregation of duties over remissions and scholarships.</li> <li>b) PSU Promise and PSU Transfer Free programs new and processes implemented may not be operating effectively.</li> <li>c) Specialized fees used for purposes fees were not designed to cover.</li> <li>d) Turnover in management could lead to inconsistent adherence to policies and procedures.</li> </ul>	<ul style="list-style-type: none"> <li>a) Moderate to High</li> <li>b) Moderate</li> <li>c) Low to Moderate</li> <li>d) Low to Moderate</li> </ul>
6	<b>Planning, Construction, &amp; Real Estate</b>	<ul style="list-style-type: none"> <li>a) Procurement rules not followed;</li> <li>b) Monitoring of major contracts may be deficient;</li> <li>c) Capital assets not being properly accounted for and depreciated;</li> <li>d) Turnover in management could lead to inconsistent adherence to policies and procedures.</li> <li>e) Safety requirements and insurance not being maintained</li> </ul>	<ul style="list-style-type: none"> <li>e) Moderate</li> <li>f) Moderate to High</li> <li>g) Moderate</li> <li>h) Moderate to Low</li> <li>i) Moderate to High</li> </ul>
7	<b>Athletics</b>	<ul style="list-style-type: none"> <li>a) Monitoring of major contracts may be deficient;</li> <li>b) Internal controls over revenues or expenditures not sufficient;</li> <li>c) NCAA compliance not maintained;</li> <li>d) Equipment and other PSU assets not adequately secured/controlled.</li> <li>e) Athletic training staff lack health/safety certifications/licenses.</li> <li>f) Turnover in personnel leads to inconsistent adherence to policies and procedures;</li> <li>g) Insurance over camps may not be adequate;</li> <li>h) Title IX compliance not maintained.</li> </ul>	<ul style="list-style-type: none"> <li>a) Moderate</li> <li>b) Moderate</li> <li>c) Moderate</li> <li>d) Moderate to Low</li> <li>e) Moderate</li> <li>f) Moderate</li> <li>g) Moderate to High</li> <li>h) Moderate to High</li> </ul>
8	<b>Student Health and Counseling</b>	<ul style="list-style-type: none"> <li>a) Turnover in personnel leads to inconsistent adherence to policies, procedures, and/or compliance requirements.</li> </ul>	<ul style="list-style-type: none"> <li>a) Moderate</li> </ul>

8	<b>Student Health and Counseling</b>	<ul style="list-style-type: none"> <li>b) Alcohol and drug prevention program monitoring.</li> <li>c) Monitoring of major contracts may be deficient;</li> <li>d) Internal controls over university resources and data not sufficient;</li> <li>e) Health services compliance requirements and training.</li> </ul>	<ul style="list-style-type: none"> <li>b) Moderate to High</li> <li>c) Low to Moderate</li> <li>d) Low to Moderate</li> <li>e) Moderate</li> </ul>
9	<b>Risk Management</b>	<ul style="list-style-type: none"> <li>a) Turnover in personnel leads to inconsistent adherence to policies, procedures, and compliance processes;</li> <li>b) EPA, OHSA, DEQ and other federal and state compliance requirements not maintained.</li> <li>c) Internal controls over expenditures not sufficient.</li> <li>d) Insurance levels may not be sufficient for some risk exposures and/or insurance company may decide not to cover a claim.</li> </ul>	<ul style="list-style-type: none"> <li>a) Moderate to Low</li> <li>b) Moderate</li> <li>c) Low</li> <li>d) Moderate to High</li> </ul>
10	<b>School of Public Health</b>	<ul style="list-style-type: none"> <li>a) Turnover in personnel could lead to inconsistent adherence to policies, procedures, and compliance processes;</li> <li>b) Federal regulations and/or state legal requirements related to the operations of the academic programs in this fairly new college.</li> <li>c) Contract monitoring.</li> <li>d) Joint management and oversight processes of this program between PSU and OHSU may be ineffective in some areas of the operations.</li> </ul>	<ul style="list-style-type: none"> <li>a) Moderate to High</li> <li>b) Moderate</li> <li>c) High</li> <li>d) Moderate to Low</li> </ul>

## Risk Factor Definitions, Scoring Criteria, & Internal Audit Plan Approval Process

### Overview of Entity Wide Risk Assessment

Auditable Unit	Risk Assessment Survey Score	Complexity of Unit and Impact to PSU					Total Business Risk Factors	Combined Risk Assessment & Complexity Score	Financial Significance Score	Last Time Audit by IA Score	Total Risk Score
		Strategic	Operational	Financial	IT	Legal Compliance					
Example Unit A	40	1	1	1	1	1	5	200	20	25	245
Example Unit B	10	0	1	0	0	0	1	10	.2	0	10.2

**Risk Assessment Survey Score** – The IAO held interviews with key stakeholders from the various auditable units to help gain an understanding of risks and obstacles each unit was facing and to gain a more thorough understanding of the duties and responsibilities of each unit. The IAO met with approximately 25 stakeholders throughout PSU to obtain input on the FY 2019 risk assessment. In addition, IAO utilized the results of a prior risk assessment survey sent to approximately 80 mid-level managers to help gain an understanding of risk exposures and internal controls to mitigate those risks in the auditable units. Approximately 50 mid-level managers responded to the risk assessment survey. The IAO asked stakeholders questions on:

*General Risks*

- **Control Environment** – This describes the tone management sets/displays for personnel in regards to how policies and procedures are followed and control activities are performed.
- **Risk Assessment** is management’s identification and analysis of risks relevant to the achievement of objectives and goals. In addition, it includes a plan for determining how known risks should be managed to help the organization achieve its objectives and goals.
- **Control Activities** include policies and procedures, segregation of duties, and physical & automated controls that help management ensure directives are carried out.
- **Information and Communication** is the identification, capture, and exchange of information in a form and timeframe that enable people to carry out their responsibilities. Information systems deal with both internally generated data and information about external events, activities, and conditions.
- **Monitoring** is a process established by management that assesses the quality of internal control and program performance over time. Monitoring provides external oversight, either ongoing or in the form of independent checks of internal controls by management or other parties outside the process.

*Specific Risks*

- **Obstacles the unit faces** – examples include spikes in demand on services, lack of adequate infrastructure, etc...

- **Known risks the unit faces** – grant requirements, monitoring requirements, safety risks, etc...
- **Confirmed or alleged instances of fraud, waste, or abuse** – misappropriation of assets, loss of funds, termination of personnel, etc...
- **Risks with turnover of personnel** – The risk that the organization will lose a significant amount of institutional knowledge at a key time in operations.
- **Other areas of concerns** – manual vs. automated processes, lack of key data to help manage programs, perceptions of program processes that cause concerns, etc...

IAO scored the responses provided by stakeholders to the 10 topic areas listed above based on IAO's collective professional experience and observations of each unit by the IAO. The IAO then received input from stakeholders provided during interviews. The IAO then averaged their risk score with the stakeholders' risk scores and placed this averaged score into Column **A** above. The highest score possible for this section of the risk assessment was 40 points and the lowest was 10 points.

**Complexity of Unit and Impact to PSU Scores** – The IAO scored each unit based on an understanding of the complexity of processes overseen by the unit and the impact that an actual error in the unit's processes could have to the university as a whole. Complexity and impact were broken out into five various subject areas as defined below:

- **Strategic** – The IAO scored this category primarily based on his understanding of high level goals the university wants to strive to achieve. A few examples of a significant strategic impact for PSU might include the university's goals for sustainability measures, and diversity of the university's workforce and student population.
- **Operational** – The IAO scored this category primarily based on customer service aspects the auditable unit provided to students and to other university departments. An example of a significant operational unit for PSU would be Financial Aid.
- **Financial** – The IAO scored this category primarily based on the number of funding streams each auditable unit had and the significance of the amount of funds flowing through the unit. An example of a significant financial unit would be Financial Aid.
- **Information Technology** – The IAO scored this category primarily based on the significant amount of information technology (i.e. computers, specialized equipment, etc...) the unit used within its daily processes. Also, the IAO looked at how significant a role the unit had in determining what type of information technology was used and how it would be implemented throughout the university. An example of a unit that had a significant impact on information technology would be OIT (Office of Information Technology).
- **Legal Compliance** – The IAO scored this category primarily based on the complexity of legal and regulatory compliance requirements each auditable unit faced. The IAO considered FERPA, HIPAA, ADA, Clery Act, PCI, Title IX, grant rules and regulations, etc... in scoring each audit unit for this category. An example of an audit unit with significant and/or complex legal compliance requirements over it would be Financial Aid or Campus Public Safety Office.

The IAO would give a score of either 0 or 1 for each of these five complexity/impact areas per auditable unit. These complexity/impact scores were then used as a “multiplier” score to help assess risk. The total complexity/impact scores were placed in Column B above and used to compute C above for each unit. The highest risk score possible for Column C, after the risk “multiplier” was considered, was 200 points and the lowest was 10 points.

**Financial Significance Score** – The IAO also assigned a risk score to each auditable unit based on how much revenues the unit processed during fiscal year 2017 (FY17) or how much expenditures the unit incurred during FY17. The primary concept of the risk scoring for this attribute was that as the amount of revenues and/or expenditures increases in a unit the risk for that unit also directly increases. The IAO primarily used financial data extracted from FY17 using Banner’s FGIBDST report to obtain the revenue and expenditure amounts. The greater of revenues or expenditures being processed through the unit for FY17 was used to score the financial risk for the unit using the scoring matrix outlined below:

**Risk Score Matrix for Financial Significance:**

<b>Revenue or Expenditure Total for FY17</b>	<b>Multiple Risk Score in Column C to Calculate Financial Risk Score Placed in Column D</b>
> \$20,000,000	10.00%
\$19,999,999 to \$10,000,001	8.00%
\$10,000,000 to \$5,000,001	6.00%
\$5,000,000 to \$2,000,001	4.00%
\$2,000,000 to \$0	2.00%

The highest score an audit unit could obtain from the financial risk scoring here would be 20 points, and the lowest possible score an audit unit could obtain from this scoring would be .2 points. The highest combined risk score possible for Column D, after the Financial Significance “multiplier” was considered, was 220 points and the lowest was 10.2 points.

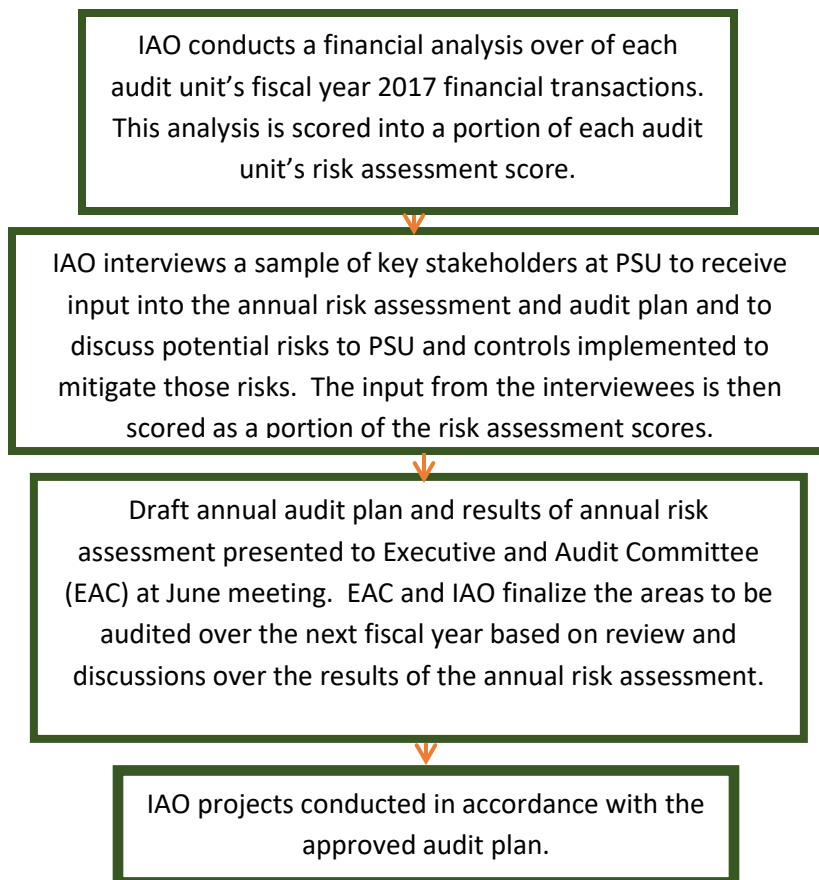
**Last Time Audited by the IAO Score** - The IAO also assigned a risk score to each auditable unit based on how much time has elapsed since the IAO conducted an internal audit or consultation review at each of the auditable units. A risk score was added onto each auditable unit using the scoring matrix below based on the length of time that has elapsed from the IAO’s last audit of the unit.

<b>Last Time Unit was Audited by PSU IAO</b>	<b>Risk Points Scale</b>
Never audited by PSU IAO	25
Audited 10+ years ago	15
Audited 8+ to 10 years ago	9
Audited 5 to 7+ years ago	7
Audited 3 to 4+ years ago	5
Audited by PSU IAO or other External Auditors in fiscal years 2015 or 2016 with no follow-up audit performed at this time	3
Internal Audit conducted during fiscal year 2016	0

The risk scores from the length of time elapsing since an internal audit has been conducted at the auditable unit was placed in Column E above. The highest combined risk score possible for Column E, after the Last Time Audited score was considered, was 245 points and the lowest was 10.2 points.

**Total Risk Score** - To obtain the total risk score for each auditable unit, the IAO took the risk score in Column C and added it to the financial risk score calculated in Column D. In addition, the risk score in Column E based on the last time the unit was audited was added in to get the total risk score was placed in Column F above. These risk scores are the scores presented in Exhibit B and Exhibit C that were used to sort the various auditable units from high risk (i.e. a large risk score) down to low risk (i.e. a small risk score). The highest total risk score an audit unit could obtain using the risk scoring criteria above would be a score of 245 points, and the lowest score an audit unit could obtain would be a score of 10.2 points. Finally, to help designate high, moderate, and low risk audit units, the IAO took any audit unit that scored 100 points or higher and classified these as high risk. Units scored between 99.9 to 80 points were assessed as moderate risk. Units scored less than 80 points were assessed as low risk.

### Internal Audit Plan Approval Process Flowchart



## Auditable Units Summary Descriptions

1. **Athletics** – Athletics includes: Stott Center Operations; Athletic Administrative Costs; Ticket Office; Training Room Operations; Concessions; Equipment Room; nine women’s sports (Basketball; Cross Country; Golf; Soccer; Softball; Tennis; Track & Field; Volleyball; and Cheerleading) and six men’s sports (Track & Field; Cross Country; Football; Basketball; Cheerleading; and Tennis). This auditable unit also includes the subsidy PSU contributes to Athletics and the cost of NCAA certification. Athletics is budgeted under Organization Codes 63xxxx, 902400, and 902410 in Banner.
2. **Campus Public Safety Office (CPSO)** – CPSO helps to promote a safe and secure campus community through the delivery of personal and facility security, crime prevention services, public safety communication, emergency medical services and public assistance. CPSO is also responsible for Clery Act reporting at PSU. CPSO is budgeted under Organization Code 600200 in Banner.
3. **College of Liberal Arts & Sciences (CLAS)** – CLAS is composed of several academic departments that include: Anthropology; Biological Sciences; Black Studies; Chemistry; Chicano-Latino Studies; Communication; English; Environmental Science; Foreign Languages; Geography; Geology; General Liberal Studies; History; Indigenous Nations Studies; Judaic Studies; Linguistics; Math; Philosophy and Conflict Resolution; Physics; Psychology; Religious Studies; Sociology; Speech and Hearing Sciences; Women, Gender, and Sexuality Studies; and numerous professional centers and other academic areas of study. CLAS is budgeted under Organization Code 22xxxx in Banner.
4. **College of the Arts (COTA)** – This unit is made up of four schools: architecture; art & design; music; and theatre & film, where faculty, staff and instructors collaborate with students and the city’s major arts institutions to energize and enrich the arts community. COTA is budgeted under Organization Code 30xxxx in Banner.
5. **College of Urban & Public Affairs (CUPA)** – CUPA is composed of the following academic units: Criminology & Criminal Justice; Economics; International & Global Studies; Political Science; Public Administration; Urban Studies & Planning; and the Institute on Aging. CUPA is primarily budgeted under Organization Code 31xxxx in Banner.
6. **Confucius Institute** – PSU’s Confucius Institute (PSUCI) is funded largely through contributions the Hanban organization sends to PSU to directly support this program. Hanban has requested that PSU periodically audit the PSUCI to provide reasonable assurance that Hanban funding is being properly controlled and spent in accordance with the terms and conditions of the agreement between Hanban and PSU. PSUCI is budgeted under Organization Code 200815 in Banner.

7. **Diversity and Inclusion** – Diversity and Inclusion is responsible for managing Affirmative Action matters and diversity initiatives at PSU. Diversity and Inclusion is budgeted in Banner under Organization Codes 100099 through 101615.
8. **Enrollment Management and Student Affairs (EMSA)** – EMSA includes multiple departments and functions at PSU including, but not limited to: Veterans Services; Student Activities; Dean of Students; Commencement; PSU Recreation; Student Ambassadors; ASPSU and Student Organizations & Clubs; Women’s Resource Center; Enrollment Management; EMSA Box Office; Food Service; Vending Operations; Viking Bowl & Billiard; University Market; and Lost and Found. EMSA is budgeted under Organization Code 330000 through 33500; 640130; 640520; 652504; 670130; 670140; 670202; 670203; and 670400 in Banner. **Note – The following departments and functions were broken out of EMSA and assessed as separate auditable units due to specific risks inherent in these functions: Financial Aid; and Student Health and Counseling.**
9. **Financial Aid** – The Financial Aid Office provides customer service and financial assistance through grants, scholarships, loans, work-study, and/or a combination of these aid packages to students to help with the cost of education. Financial Aid is budgeted under Organization Codes 331241 and 80xxxx in Banner.
10. **Financial Services, Treasury, and Budget** – For the entity-wide risk assessment presented here, Financial Services, Treasury, and Budget includes the following departments: Accounting; Treasury; Budget; Purchasing; Surplus Property; Accounts Payable; the Bursar’s Office functions (i.e. Accounts Receivable/Collections, Cashiering, and ID Card Services); the VP FADM Office; and the Strategic Management Reserve. These departments are budgeted primarily under Organization Codes: 640300-640350; 600901; 620000; 640400; 640410; 664100, 600501, 651711, 654000, 670010; 640100-640140; 600000; 600995; and 999001-999002.
11. **General University** – General University is used to pay for university wide costs and services such as utilities, debt service on bonds and loans, accreditation, executive level job search costs, early retirement incentives, and other miscellaneous university wide costs. General University is budgeted in Banner under Organization Codes 900000 through 990000.
12. **Government & Community Relations and Marketing & Communications** – These departments are charged to support and promote the President’s five themes that include:
  - Provide Civic Leadership Through Partnerships;
  - Improve Student Success;
  - Achieve Global Success;
  - Enhance Educational Opportunity; and
  - Expand Resources and Improve Effectiveness



These departments are budgeted under Organization Codes 100200, 101000, and 151000 in Banner.

- 13. Graduate School of Education (GSE)** – GSE offers over 50 degree, licensure, and continuing education programs to students. GSE is budgeted under Organization Code 26xxxx in Banner.
- 14. Honors College (HON)** - HON runs students through an academically intense curriculum that reflects all the challenges, uncertainties, and deep thinking real world problems require. HON is budgeted under Organization Code 222300 in Banner.
- 15. Housing and Residence Life** – Housing and Residence Life operates 10 locations in the Portland metro area for student housing. There are approximately 2,000 beds for student housing throughout PSU’s housing facilities. Housing is primarily budgeted under Organization Code 670499-670520 and 652503 in Banner.
- 16. Human Resources & Payroll** – The Human Resources department assists PSU with hiring personnel, negotiating various unionized employment contracts, employee performance management, and employee compensation and benefits management. The administration of employee benefits is also managed within this department. Human Resources is budgeted under Organization Codes 600299 and 600300 in Banner. The Payroll office administers paying employees for their services to the university and works closely with Human Resources to help ensure pay and benefits are accurate. Payroll is budgeted in Banner under Organization Code 999000 and 999899.
- 17. Institutional Research** – Institutional Research assists PSU in conducting research and surveys, reporting student FTE figures to the State of Oregon and Federal Government, and assists with other ad hoc student data requests from management. Institutional Research is budgeted under Organization Code 200901 in Banner.
- 18. Intensive English Language Program (IELP)** – IELP assists students that have been admitted to PSU who do not have a TOEFL or IELTS score. Students in IELP are fully immersed in campus life while improving their English skills and preparing themselves for academic success at PSU. IELP is budgeted under Organization Code 221510 in Banner.
- 19. Library** – The PSU Library assists students and faculty with homework, research, and other informational needs. The PSU Library is budgeted under Organization Code 32xxx in Banner.
- 20. Maseeh College of Engineering and Computer Science (MCECS)** – The MCECS includes the Computer Science Department, Civil & Environmental Engineering Department, Electrical & Computer Engineering Department, Mechanical and Materials Engineering Department, Engineering and Technology Management, and Systems Engineering. MCECS is budgeted under Organization Code 27xxxx in Banner.

- 21. Office of Academic Affairs (OAA)** – The OAA is the central administrative office, with responsibility for the institutional academic mission, programming and policy implementation, support programs for academic personnel and students, academic fiscal management, and collective bargaining with the American Association of University Professors (AAUP-PSU Charter) and the American Federation of Teachers Union (PSUFA). The departments and functions that make up this auditable unit include, but are not limited to: the Provost’s Office; Faculty Senate, Military Science, Advising, Registrar, Learning Resource Center, and Dean Searches. These departments and functions are budgeted under Organization Codes 200000 through 200500 in Banner.
- 22. Office of Information Technologies (OIT)** – OIT supports PSU’s technology needs, which includes, but is not limited to, networks; telecommunications; servers and data storage; email and web services; and lab and classroom technologies. OIT is budgeted under Organization Codes 610000 through 610750.
- 23. Office of International Affairs** – International Affairs offers students three different program options that fit their interest and needs. These programs include: the BUSINESS Program; LOHAS (Life of Health & Sustainability) Program; and TNP (Transnational Program) Program. The BUSINESS Program is designed for students interested in taking American undergraduate business courses. The LOHAS Program is designed for students interested in the general theme of Environmental Sustainability and students take courses in PSU’s University Studies curriculum. Finally, TNP is designed for students interested in Comparative Asian Studies. International Affairs is budgeted under Organization Code 200800 through 200860 in Banner, excluding Organization Code 200815. **Note that the Confucius Institute was included in this auditable unit for the 2015 Internal Audit Plan, but has been separately broken out as its own auditable unit since the FY 2017 Audit Plan.**
- 24. Office of the President and Board of Trustees** – These offices and positions help to oversee and administer the core mission and objectives of PSU. These functions are budgeted in Banner with Organization Codes 100050 and 100000 through 100010.
- 25. Planning, Construction, & Real Estate** – This auditable unit includes: material management; capital projects & construction; facilities, property, and grounds maintenance; sustainability and energy management; and custodial. Planning, Construction, & Real Estate is budgeted in Banner under Organization Codes 650000 through 664211.
- 26. PSU Office of General Counsel (GC)** – GC supports the mission of PSU by providing legal advice and representation to PSU, to its constituent colleges, schools and units, and to its officers and employees while acting on PSU’s behalf. GC is budgeted under Organization Code 100401 in Banner.
- 27. Research and Strategic Partnerships** – Research and Strategic Partnerships provides support for PSU faculty in Research Development, Sponsored Projects Administration, and Research Integrity for federal, state, and locally grant funded programs. Research and Strategic Partnerships is budgeted under Organization Code 40xxxx in Banner;

however, grant funds generated from this function impact the majority of auditable units broken out in this assessment.

- 28. Risk Management** – The Risk Management department helps oversee PSU’s various insurance policies, safety training and drills for emergency preparedness, and other safety and health risks present at PSU. Risk Management is budgeted under Organization Code 640450, 662100, 600401, and 600601 in Banner.
- 29. School of Business (SBA)** – The SBA offers majors in: Accounting; Advertising Management; Finance; Human Resource Management; Management & Leadership; Marketing; and Supply & Logistics Management. Also, SBA offers certificates in Athletic and Outdoor Industry; Entrepreneurship; Food Industry Management; International Business Studies; Post-Baccalaureate Accounting; and Social Innovation. Moreover, SBA offers various minors to students. SBA is budgeted under Organization Code 25xxxx in Banner.
- 30. School of Public Health (SPH)** – The SPH is a joint effort between Oregon Health & Science University and PSU to offer undergraduate and graduate programs that meet the evolving public health needs of Oregon and beyond. This audit unit also includes the School of Community Health. SPH is primarily budgeted under Organization Code 230000, 231001, and 310930 in Banner.
- 31. School of Social Work (SSW)** – SSW offers degree programs in Child and Family Studies; Bachelor of Social Work; Masters of Social Work; and a PhD in Social Work and Social Research. SSW includes various institutes and centers and offers distance options for students. SSW is budgeted under Organization Code 24xxxx in Banner.
- 32. Student Health & Counseling (SHAC)** – SHAC is a community-based health care organization that provides high quality, accessible mental health, physical health, dental services, and testing services targeted to the needs of the PSU student population. SHAC is budgeted under Organization Codes 330300 through 333601 in Banner.
- 33. Transportation and Parking Services (TAPS)** – TAPS falls under Auxiliary Services and sells parking permits to students and faculty, enforces parking rules throughout PSU, and also operates a bike hub. TAPS is budgeted in Banner under Organization Code 670000, 670003, 640510, and 640511.
- 34. University Place** – University Place is a 235 room hotel and conference center. The hotel was purchased in 2004 as a strategic investment into future campus growth in downtown Portland. University Place is budgeted under Organization Code 670551 in Banner.

**35. University Studies (UNST)** –UNST is PSU's four-year general education program is required of all students, with the exception of those enrolled in Liberal Studies or the Honors Program. University Studies begins with Freshman Inquiry, a year-long course introducing students to different modes of inquiry and providing them with the tools to succeed in advanced studies and their majors. At the sophomore level, students choose three different Sophomore Inquiry courses, each which leads into a thematically linked, interdisciplinary cluster of courses at the upper-division level. Finally, all students are required to complete a Capstone course which consists of teams of students from different majors working together to complete a project addressing a real problem in the Portland metropolitan community. UNST is budgeted under Organization Codes 222699 through 222710 in Banner.