

June 2024 – Amended March 2025

Office of Internal Auditing

Proposed Fiscal Year 2025 Internal Auditing Plan

MINNESOTA STATE

Internal Audit (IA) Plan

- IA's Charter and the International Professional Practices Framework requires the Chief Audit Officer to present and seek approval of an annual internal audit plan
- The plan presents an overview of how IA plans to use its resources
 - Part 1 – Ongoing Activities
 - Part 2 – Multi-Year Projects
 - Part 3 – New Projects
- Plan updates, including suggested changes, will be discussed with the Audit Committee throughout the year
- The Audit Committee is to also review the internal audit budget, resource plan, activities and organizational structure

Internal Audit Plan Development Process



Internal Auditing Focus Areas for 2025



Advancing Enterprise Risk Management Model



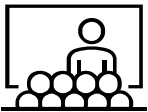
NextGen



NIST Security Framework



Internal Controls and Compliance and Finding Follow-up



Programmatic Advisory or Assurance



Quality Assessment Review and updates for new Global Internal Audit Standards

Ongoing Activities

Committee Participation and Advisory Services

- NextGen Steering Committee
- Enterprise Risk Management Steering Committee
- Chancellor's Cabinet and Leadership Council
- Other Committee and Work Group Participation
- Ongoing Ad-Hoc Risk & Control Inquiries and Advice
- Chief Finance and Information Officer Meetings

Assurance Services

- Monitoring Progress on Outstanding Audit Findings

External Audit Coordination

- Annual Financial Statement Audits / Federal Student Financial Aid Compliance
- NCAA Compliance Audits (every 3 years)
- Other External Party Audits

Fraud Inquiry and Investigation Services



Multi-Year Projects

ERM Advisory (advisory)

ERM Steering Committee and assist facilitation of ERM program across system

NextGen Review (advisory/assurance)

Advise trustees and leadership on project status and risks and provide potential project improvements via period risk review checkpoints. Review security roles and internal controls.

Compliance with the IIA's Global Internal Audit Standards (advisory)

Update audit tools and templates to ensure Minnesota State is compliant with the new audit standards (effective January 2025).

Proposed New Projects



Payroll Audit



Primary ERM Risk:

Governance and Compliance Structure

Advisory / Assurance Project

Potential Description of Project:

1. On a sample basis, test payroll payments for under and over payments.
2. Evaluate the time it takes for the initial paycheck to be processed for new hires.
3. On a sample basis, test payments to ensure they are posted to the correct accounts.
4. Determine root causes for errors/delays

NextGen Security Mock Audit

Primary ERM Risk:

Cybersecurity / Privacy

Advisory Project

Potential Description of Project:

Evaluate the Workday security model and controls to validate the practices adequately address risks to data, using a mock audit methodology. Objective is to identify and mitigate internal security issues, rather than external.



NextGen Business Process Internal Controls Checkup



Internal Controls

Primary ERM Risk:

Financial Sustainability

Governance and Compliance Structure

Board Policy

Assurance / Advisory Project

Potential Description of Project:

Evaluate critical internal controls in Workday business processes to validate adequate coverage for preventing common risks such as authority (approvals, delegation), misrepresentation (budget, financial reporting, reconciliations), and fraud (procurement, expenses, leave requests).



Foundation Reviews



Primary ERM Risk:

Financial Sustainability / Governance and Compliance Structure

Advisory / Assurance Project

Potential Description of Project:

1. Assess the operating structures
2. Assess fundraising strategies, management of financial resources, and the use of funds
3. Review contracts with colleges and universities and evaluate how they are monitored. Determine best practices for quantifying ROI.
4. Benchmark Minnesota State foundations' practices against other systems and make recommendations for leveraging "systemness" if appropriate



NIST Campus Survey of Priority Controls



Primary ERM Risk:

Cybersecurity / Privacy / Data Governance and Compliance Structure

Advisory / Assurance Project

Potential Description of Project:

Assess all colleges, universities, and the system office on implementation of priority NIST controls using an initial scorecard evaluation methodology based on survey responses with certain level of validation, resulting in recommended improvements



~~Artificial Intelligence Readiness Assessment~~



March 19, 2025 – The Board of Trustees amended the FY25 Audit Plan, removing Artificial Intelligence Readiness Assessment. Postpone the project until FY 26.

Primary ERM Risk:

Cybersecurity / Privacy / Data Governance and Compliance Structure

Technological Disruption

Advisory / Assurance Project

Potential Description of Project:

Assess the system's capacity to deploy and govern artificial intelligence systems / platforms, especially generative AI, while maintaining appropriate risk management for ethics, academic integrity, cybersecurity, and data governance. Could be a multi-year project as AI evolves.



Policy 1B.1 Equal Opportunity and Nondiscrimination in Employment and Education Audit

March 19, 2025 – The Board of Trustees amended the FY25 Audit Plan, adding Policy 1B.1 Equal Opportunity and Nondiscrimination in Employment and Education Audit.



Internal Controls

Primary ERM Risk:

Advisory / Assurance Project

Potential Description of Project:

Policy 1B.1 and associated procedure 1B.1.1 had significant updates in 2022 and 2023 and there is interest in determining how well the system is complying with the new requirements and if procedures are being applied uniformly across the system.



Additional Projects Considered

- Dual Credit Program Review (PSEO, etc.)
- Quant16 – Predictive Modeling for Enrollment (System and Institution Level)



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