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Proposed Fiscal Year 2026 Internal Auditing Plan

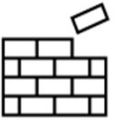
Office of Internal Auditing
May 2025

Top Priority Projects



Enterprise Risk Management (ERM) Advisory

Evaluate the existence of key ERM components and the effectiveness of the ERM program across the system to identify potential gaps. Identify and build leadership consensus to the top risks affecting the strategic priorities and performance of the system. Assist with prioritizing these risks across the system through the application of customized rating criteria evaluating the likelihood, impact, and mitigation effectiveness.



Advancing ERM Model

NextGen Review

Primary ERM Risk: NextGen Implementation

Potential Description of Project:

Perform the following activities, in alignment with the project timeline and milestones:

- Participate in the ERP Steering Committee and provide professional advice and assistance as requested.
- Participate in status meetings with the chancellor and trustees.
- Perform checkpoints aligned with the project plan, focused on key project milestones.
- Advise on key processes, risks, and controls surrounding the implementation, data governance, and other key project factors as they arise.
- Provide real-time recommendations and input during project meetings.



NIST Assessment/Penetration Testing

Primary ERM Risk:

Cybersecurity/Privacy

Potential Description of Project:

Perform external and internal penetration testing at system office and institution level. Validate cyber activities and practices at system office and institutions.

Credit Card Review

Primary ERM Risk:

Fraud Prevention and Detection

Assurance Project

Potential Description of Project:

Conduct a system wide review of P-Card expenses at an institutional level to confirm compliance with appropriate purchasing policies and procedures.



Fraud Prevention and Detection

Additional Priority Projects



Financial Aid Review (Ghost Students)

Primary ERM Risk:

Student Financial Aid, Governance & Compliance Structure

Assurance Project

Potential Description of Project:

Analyze payments made over the audit period to assess the risk of payments to non-existent students. Evaluate the processes in place to comply with the payment procedures and identify potential process and control gaps related to key payment processes.



Cybersecurity Incident Response

Primary ERM Risk:

Cybersecurity/Privacy

Advisory Project

Potential Description of Project:

Evaluate the system office processes, people, and technologies (e.g., systems and tools) used for detecting, responding, and reporting on cybersecurity incidents using industry leading practices, including the coordination with institutions.



Third Party Technology Vendor Management

Primary ERM Risk:

Cybersecurity/Privacy, Data Governance

Advisory Project

Potential Description of Project:

Evaluate the technology vendor management process for procurement, vendor risk, contract review, data protection controls (e.g., user access, change management, continuity/availability, interfaces), and ongoing monitoring of systems and contracts.

Resource Dependent Projects





Physical Safety and Security Review

Primary ERM Risk:

Campus Safety

Assurance/Advisory Project

Potential Description of Project:

Review the policies and procedures in place to govern the physical safety and security of campuses during situations of immediate distress and assess adherence to these policies; identify leading practices and recommendations.



Artificial Intelligence (AI) Readiness Assessment

Primary ERM Risk:

Cybersecurity / Privacy, Data Governance, Technological Disruption

Advisory Project

Potential Description of Project:

Assess the system's capacity to deploy and govern artificial intelligence systems and platforms, especially generative AI, while maintaining appropriate risk management for ethics, academic integrity, cybersecurity, and data governance.



Subrecipient Monitoring Review

Primary ERM Risk:

Governance & Compliance Structure

Assurance/Advisory Project

Potential Description of Project:

Review Minnesota State grants against other organizations and determine if Minnesota State (system office and institutions) are appropriately monitoring expenditures according to applicable policies and procedures.

Thank you.



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