



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Audit Committee

DATE: June 17, 2024

TITLE: Review and Approve Fiscal Year 2025 Internal Audit Plan

Action

Review and Discussion

This item is required by policy

PRESENTERS

Amy Jorgenson, Chief Audit Officer

Melissa Primus, Deputy Director, Office of Internal Auditing

PURPOSE

To present the proposed Fiscal Year 2025 Internal Auditing Plan for review and approval.

BACKGROUND INFORMATION

The Office of Internal Auditing's Charter, required by Board Policy 1.D.1, requires the Chief Audit Officer to present and seek approval of an audit plan each fiscal year. Internal auditing standards require that the board approve the annual plan.

The audit plan presents an overview of how the Office of Internal Auditing plans to use its resources in fiscal year 2025.

Ongoing or One-Time Projects

- Enterprise Risk Management Discussions
- Compliance with IIA (Institute of Internal Audit) Standards
- Next Gen Project Risk Reviews

Proposed New Projects for Fiscal Year 2025

- Payroll Audit
- NextGen Security Mock Audit
- NextGen Business Process/Internal Controls Checkup

- Foundation Reviews
- NIST Implementation Self-Assessment

- Artificial Intelligence Readiness Assessment

The projects chosen have a range for Baker Tilly's cost depending on scope and complexity of the subject area. It is possible, even probable, that all six projects will not be able to be completed. Our contract with Baker Tilly allows a cost increase of 5% each year, and they are opting to increase their rates for FY 25, which provides less purchasing power for Minnesota State for internal audits. An increase would be needed to the overall contract amount to provide the same level of audit coverage as in past years. Our contract budget has remained flat since we began working with Baker Tilly in 2017.

The discussion regarding which projects to include for FY 25 was robust and the project priorities changed many times during discussions with trustees, chancellor's cabinet, presidents, and others. We recognize the importance of remaining flexible with our projects as new priorities may arise during the fiscal year.

Ultimately, two projects which showed early promise fell off the list due to resource issues. These topics were:

1) An enrollment prediction tool to be developed by Quant 16. This tool would have used the power of data analytics to help the system predict enrollment by institution for the next 10 years and provided Minnesota State with a Power BI tool for use by the system office and campuses to utilize when assumptions or data factors changed. We feel an independent and objective way to help predict enrollment would be a useful tool in the toolbox for Minnesota State.

2) A review of dual credit programs such as PSEO (Post Secondary Enrollment Options) to determine how well Minnesota State is carrying out these programs system wide. This project was also mentioned as a possibility for FY 24. We will keep it on the list for consideration next year.

RECOMMENDED ACTION

The Audit Committee recommends the Board of Trustees approves the Office of Internal Auditing's annual internal auditing plan for fiscal year 2025, as presented.

Date Presented to the Audit Committee: 06/17/24

Date Presented to the Board of Trustees: 06/18/24

Date of Implementation: 06/18/24