

Once Upon an Audit: Begin Your Journey in Higher Education Auditing

March 24, 2026

1:00 p.m. – 2:50 p.m. EST



**ACUA VIRTUAL
SPRING SUMMIT**

Audit in Action
March 24-26, 2026



As You Wish - Your Journey Begins

Step into a world where every audit is an adventure and every chapter introduces you to the essential elements of higher education auditing.



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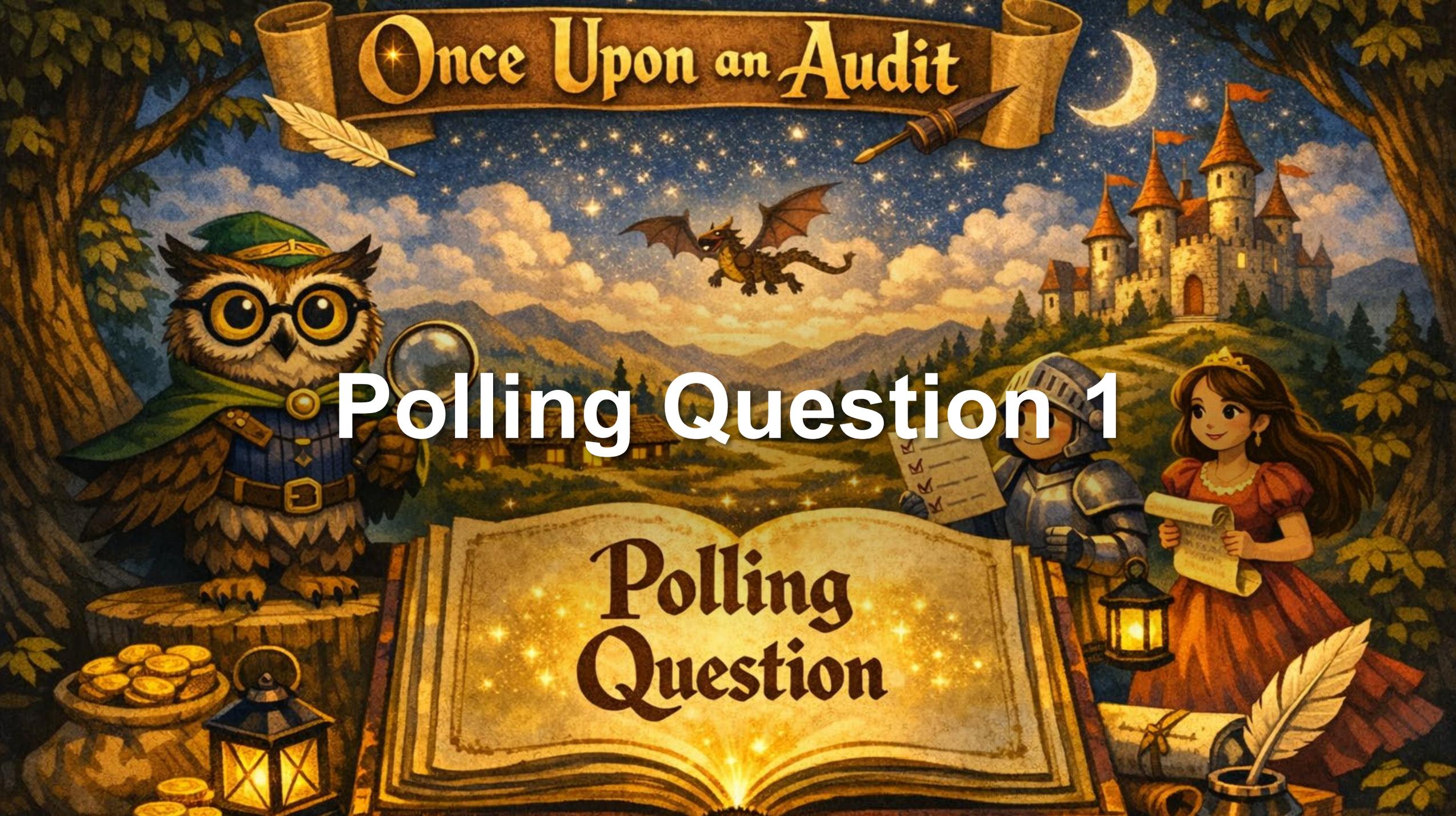
Audit in Action
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Once Upon an Audit

Polling Question 1

Polling Question



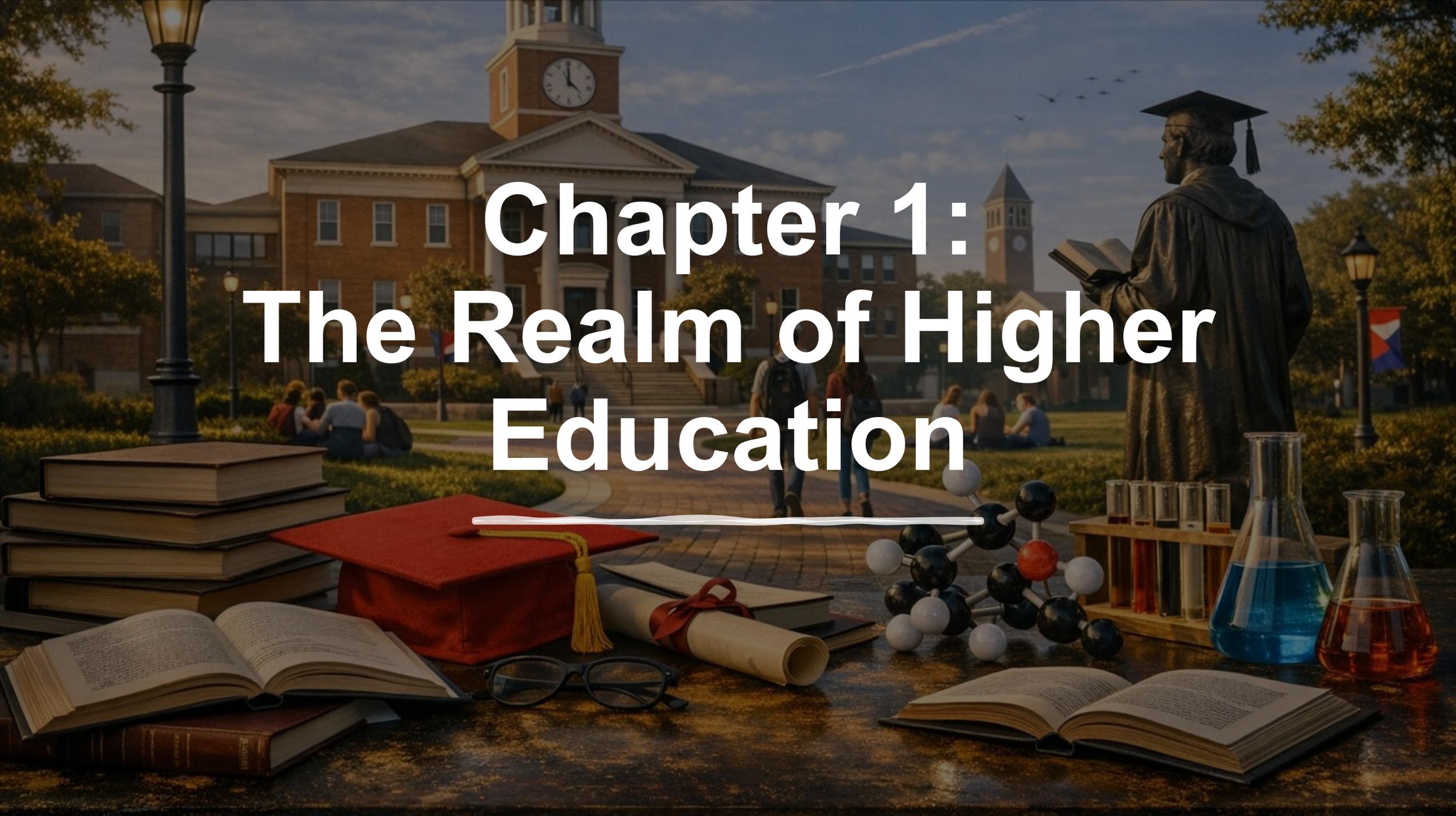
Our Journey in Higher Education Auditing

Table of Contents

1. The Realm of Higher Education
2. The Book of Standards
3. The Map of Planning
4. The Fieldwork Forest
5. The Castle of Reporting and Closing
6. Building Bridges in the Kingdom:
The Art of Lasting Alliances



Chapter 1: The Realm of Higher Education



Welcome to the Realm

- Public vs. private
- Independent vs. system
- For-profit vs. not-for-profit
- Carnegie classification
- Military academies and colleges
- Land grants
- Health-related institutions
- Historically Black/Tribal/Hispanic Serving
- Liberal arts colleges
- Community colleges/Technical schools



Many Crowns, One Kingdom

- Board (of Regents/Trustees/
Directors/Visitors/Curators/Overseers/etc.)
- Public – appointed or elected
- Private – chosen by existing board,
foundation board, alums, or a governing
council
- Chancellor/President
- Vice Chancellors/VPs
- Provost, Dean, Chair
- The Academy (aka faculty)
- Shared Governance
- Faculty Senate



Kingdom Concepts

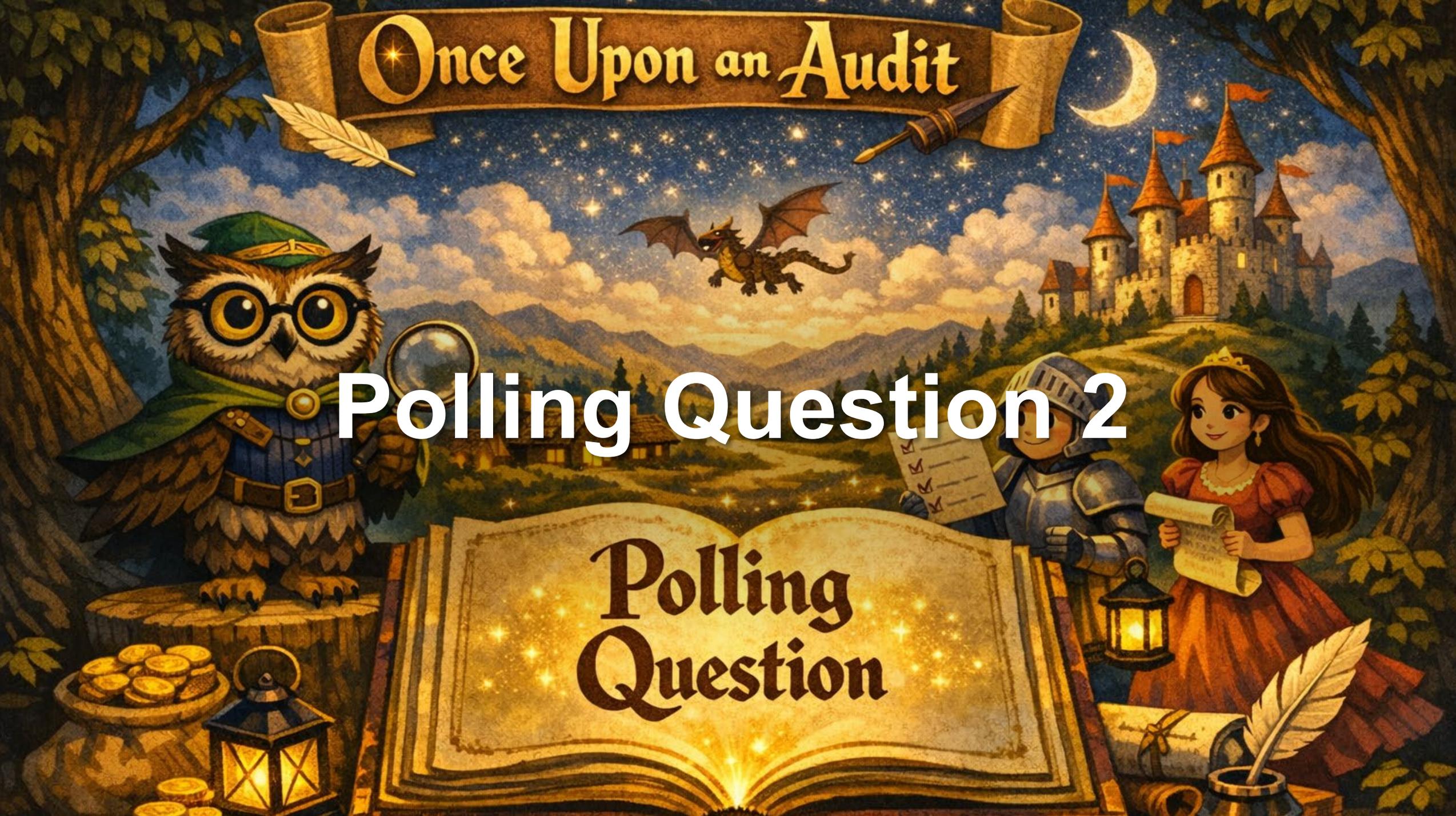
- Tenure and promotion
- Academic freedom
- Academic workload
- Faculty development leave
- Adjunct faculty/professors of practice
- Principal Investigator



Storm Clouds over the Kingdom

- Financial matters
- Information technology
- Regulatory requirements
- Safety and security
- Research
- Social and cultural
- People
- Athletics
- Disruption

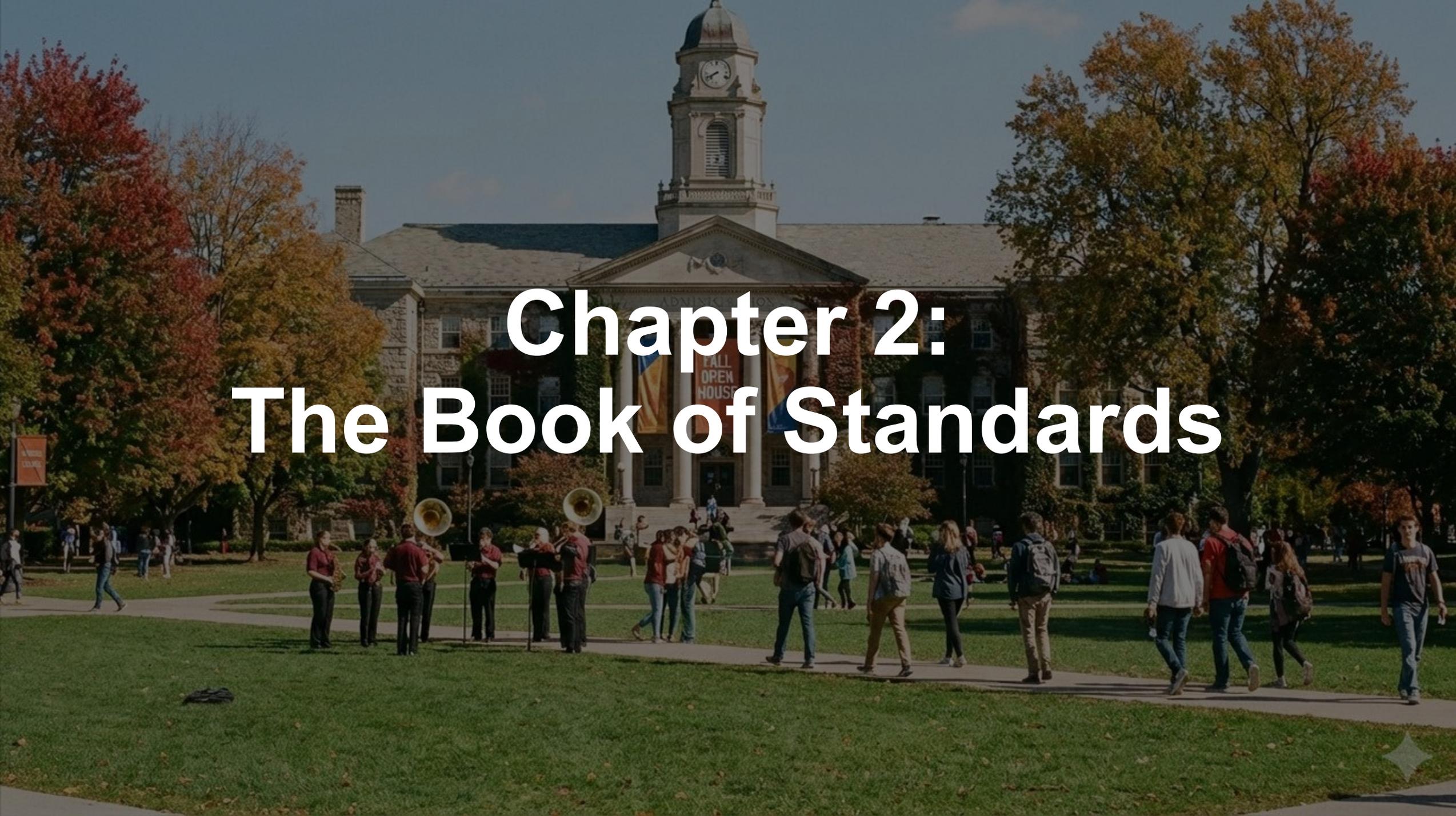




Once Upon an Audit

Polling Question 2

Polling
Question



Chapter 2: The Book of Standards

The Story Always Starts With Criteria

Just like in your engagements, you have to know what is expected of you.

If you don't know the measuring stick, how do you know what success looks like?



Tell the Story Through Frameworks

You need to know about COSO.

- *To run the race, you need 5 time-tested things working together.*
 1. *Control Environment*
 2. *Risk Assessment*
 3. *Control Activities*
 4. *Information/Communication*
 5. *Monitoring Activities*

You need to know the topic specific structures.

- *IT: are you NIST? ISO? State? COBIT?*
- *Research: Is it federal so uniform guidance? DOD, NIH, NSF*
- *Privacy: FERPA, HIPAA, GLBA, CUI*

But First, Know OUR Criteria

- The Global Internal Audit Standards (GIAS/Red Book) guide the worldwide professional practice of internal auditing and serve as the basis for evaluating and elevating the quality of the internal audit function.

The framework addresses current internal audit practices while enabling flexibility and responsiveness to the on-going needs.

- The Generally Accepted Government Auditing Standards (GAGAS/Yellow Book) are the professional standards for audits of government organizations, programs, and entities receiving federal funds.



Our Table of Contents

Global Internal Audit Standards

Domain I: Purpose of Internal Auditing

Domain II: Ethics and Professionalism

Domain III: Governing the IA Function

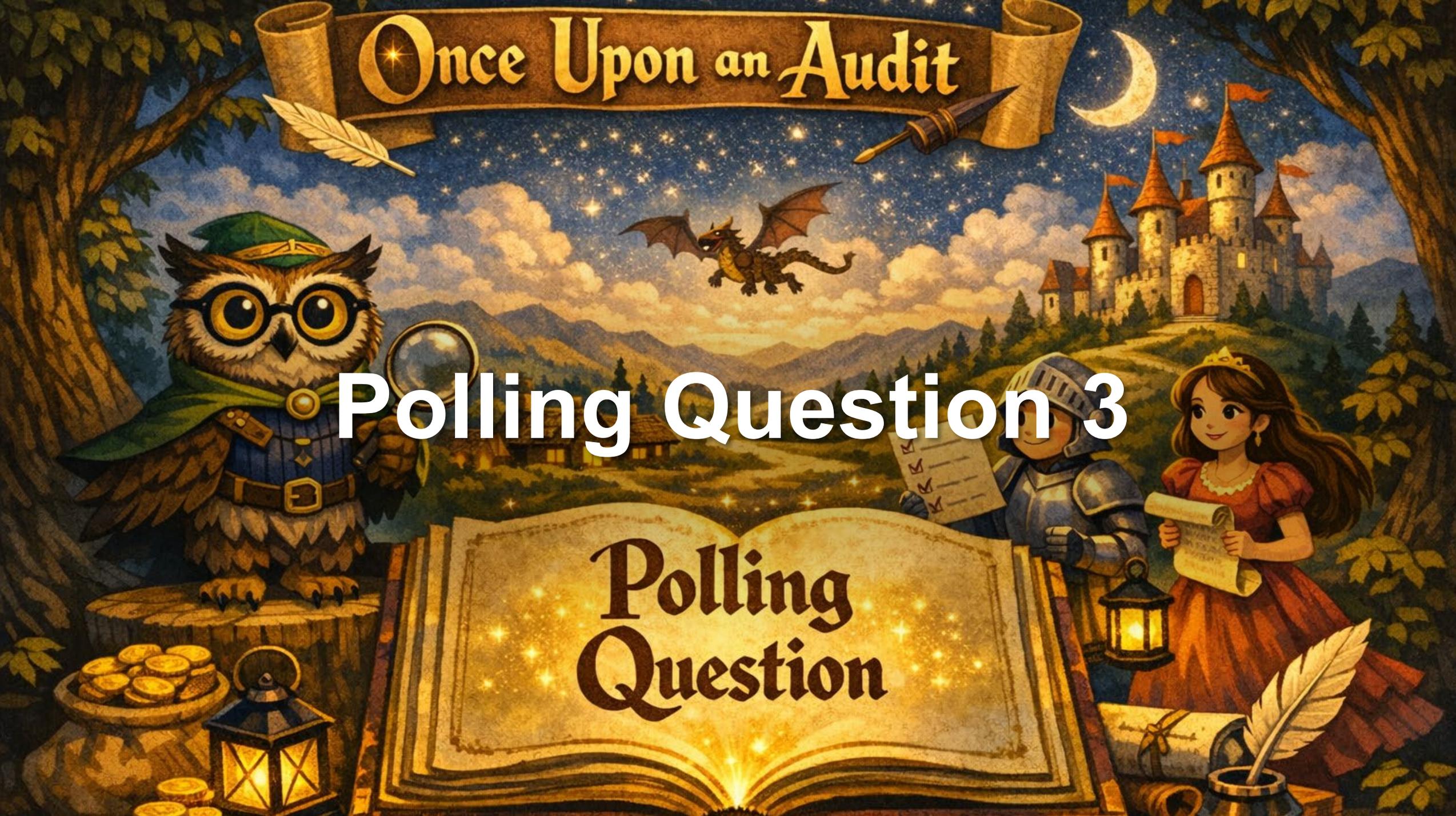
Domain IV: Managing the IA Function

Domain V: Performing the IA Services

Once Upon an Audit

Polling Question 3

Polling Question



Make it More than Book Knowledge

- Be a student, first.
 - Learn auditing.
 - Learn your institution.
 - Dive deep into what interests you.
- Listen, then clarify.
 - The best auditors are great communicators.
 - The best communicators listen before they react.
 - Be curious.
- Verify and document as you go!
 - Make critical analyses who you are.
 - **Document, document, document.**





Chapter 3: The Map of Planning

1. Principles & Standards Related to the Map
2. Effective Planning Techniques
3. Interviewing Tips
4. Risk Assessment Tools
5. The Real Map – the Work Program!

Standards Related to the Map

Principle 13: Plan Engagements Effectively

Standards

- 13.1, Engagement Communication
- 13.2, Engagement Risk Assessment
- 13.3, Engagement Objectives & Scope
- 13.4, Evaluation Criteria
- 13.5, Engagement Resources
- 13.6, Work Program



Effective Planning Techniques *Follow the Yellow Brick Road*

Administrative
Planning
Procedures

Project
Management

Engagement
Communications

Gaining an
Understanding of
the Activity Under
Review

Risk Assessment

Development of
the Work Program



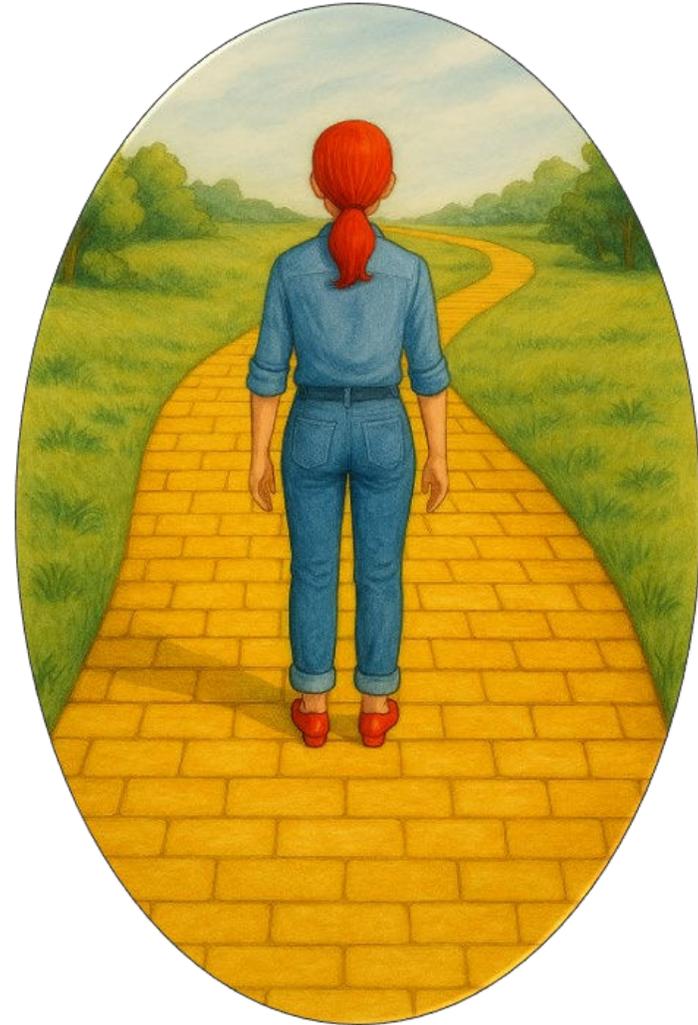
The First Three Steps

Assignment

Project Management

Engagement Communications:

- Audit Notification*
- Entrance Conference*



Engagement Communications

Entrance Conference & Relationship Strategy

- Introduction – Responsible Parties
- About the Audit Office
- Objectives, Scope, Why, Last Audit Date
- The Audit Process & Milestones
- Key Points of Contact, Status Meetings, Management Expectations & Requests
- Requests for Information
- Discussion of Risks Specific to the Audit Objective
- Relationship Strategy throughout the Audit



**Principle 11:
Communicate Effectively**



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Gaining an Understanding of the Activity Under Review

Objective: Develop an understanding of the activity under review to assess the relevant risks.

- Initial Understanding: Research*
- IT Information: Don't forget about IT systems that may be unique to your engagement.
- Governance, Risks, and Controls: Interviews*



Interviewing Tips

- Be prepared – practice!
- Know your client
- Build rapport
- Use open-ended questions
- Listen and clarify when needed
- Think about the answers and follow-up with additional questions
- Handling difficult questions and difficult clients
- Interviewing for investigations
- Documenting interviews



Risk Assessment Process: Focus on What Matters Most!



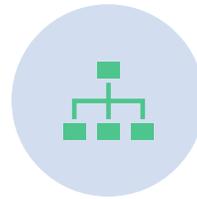
Using the information obtained in the gaining an understanding, identify risks relevant to the activity under review.



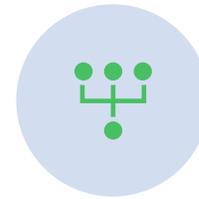
Tie the risks to the strategic objectives and related policies, procedures, guidance, frameworks, or other criteria.



Identify impact and probability / likelihood.



Identify GRC processes in place related to the risk.



Identify the control type, risk type, and COSO component. If under GAGAS, determine if control is significant to audit objectives.



Determine disposition of risk (audit program, observation, future audit, etc.).



Determine audit program procedure.



Risk Assessment Tool Example*

RISKS Potential Significant Risks to the Objectives of the Activity under Review	Impact	Prob.	Total Risk	Strategic Objective	CONTROLS What Governance, Risk Management, and Control Processes Are In Place Related to This Risk?	Type Control	Related Policies, Procedures, Guidance, Frameworks, or Other Criteria Used to Evaluate the Effectiveness Related to the Risk	Type Risk	COSO Component	Is Control Significant to Audit Objectives?	Disposition
Expenses and reimbursements do not contain adequate supporting documentation, including a reasonable business justification based on the mission and objectives of the University of Oz and the Office of the Wizard.	H	M	HM	Investing in Education	Policies and procedures regarding expenses Supervisory review of documentation Training	Reporting & Accurate Information	Departmental policy on expenses University of Oz expense policies	Financial	Ctrl Actv	Yes	Audit Program, Step 4



Development of the Work Program: *Planning Meeting*



Meeting with Team and CAE



Initial Engagement Information



Results of Gaining an Understanding



Financial, Operational Information Relevant to the Engagement



Risks and Proposed Work Program



Proposed Objective, Scope, Budgeted Hours, Due Date, Project Milestones



CAE feedback and approval



Development of the Work Program: *Your Audit Map*

Audit Procedures	Identified Risk #
Objective #1: State objective of procedure	
Estimated Hours Per Procedure	
Criteria for Objective #1:	
1.	
2.	
3.	
Objective #2: State objective of procedure	
Estimated Hours Per Procedure	
Criteria for Objective #2:	
1.	
2.	
3.	
<u>Objective #</u> - continue as needed	

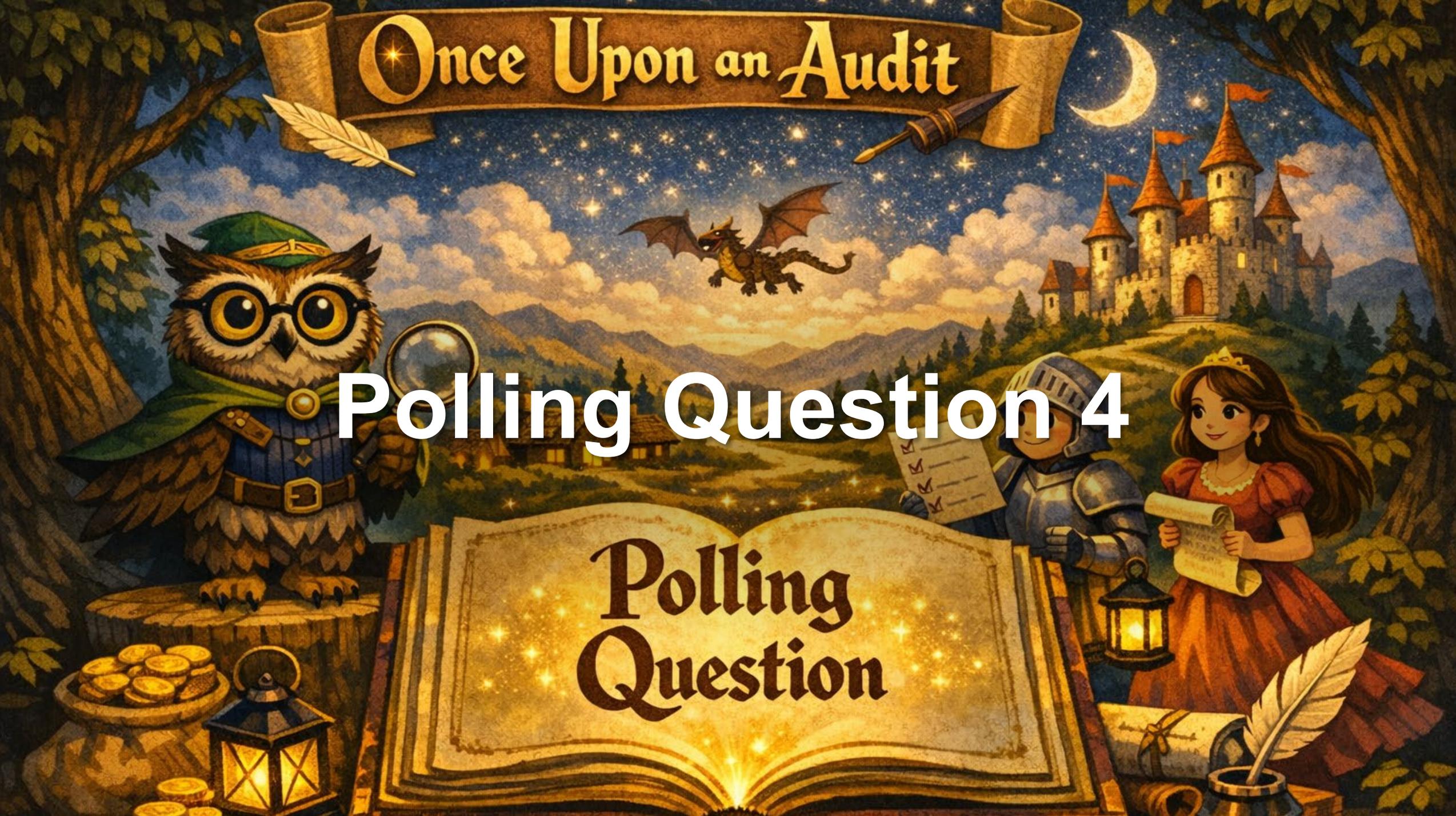
Work program and changes must be approved by the CAE.*



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Polling Question 4

Polling Question



Congratulations!

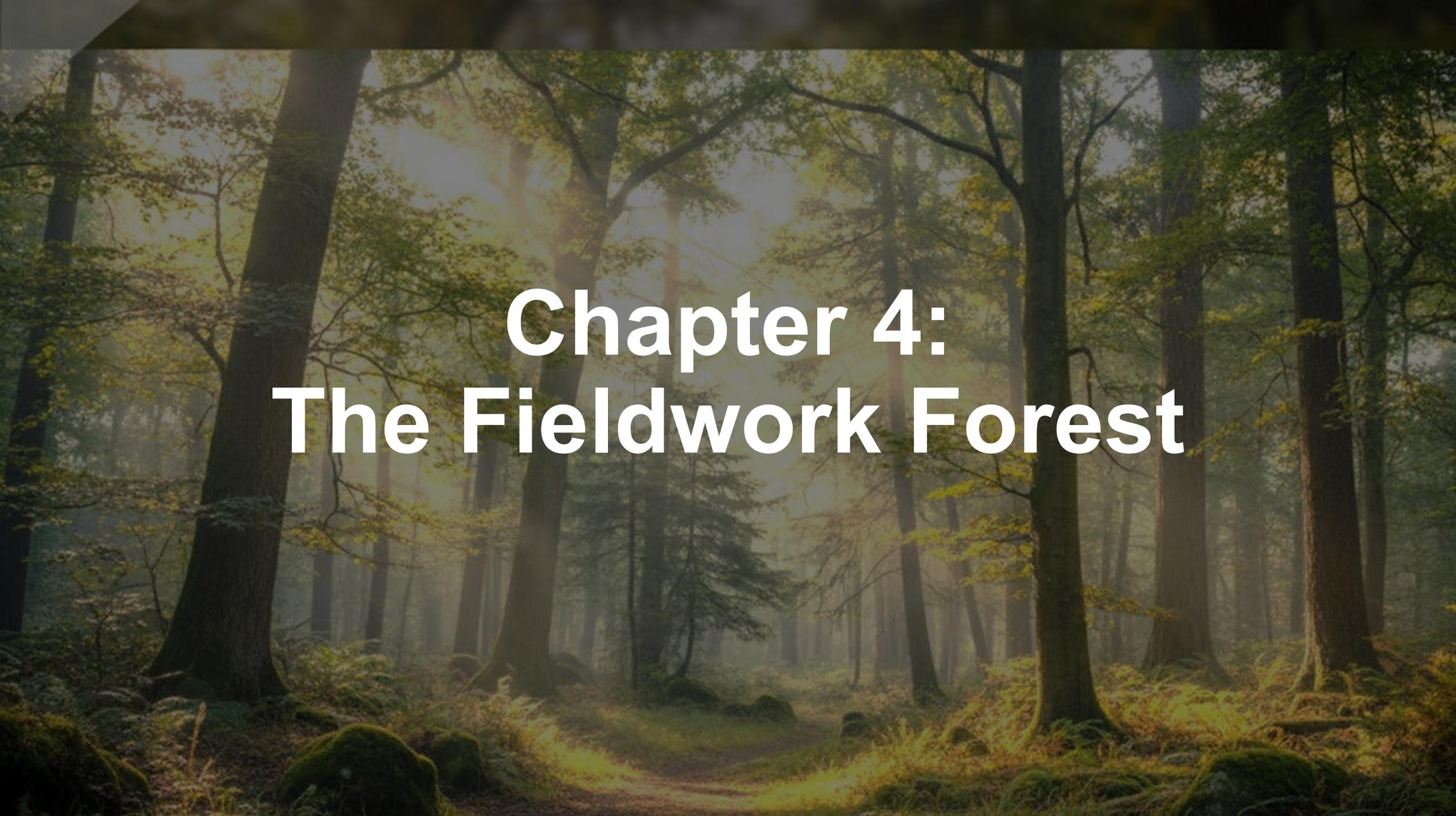
You're ready to enter the
Fieldwork Forest!



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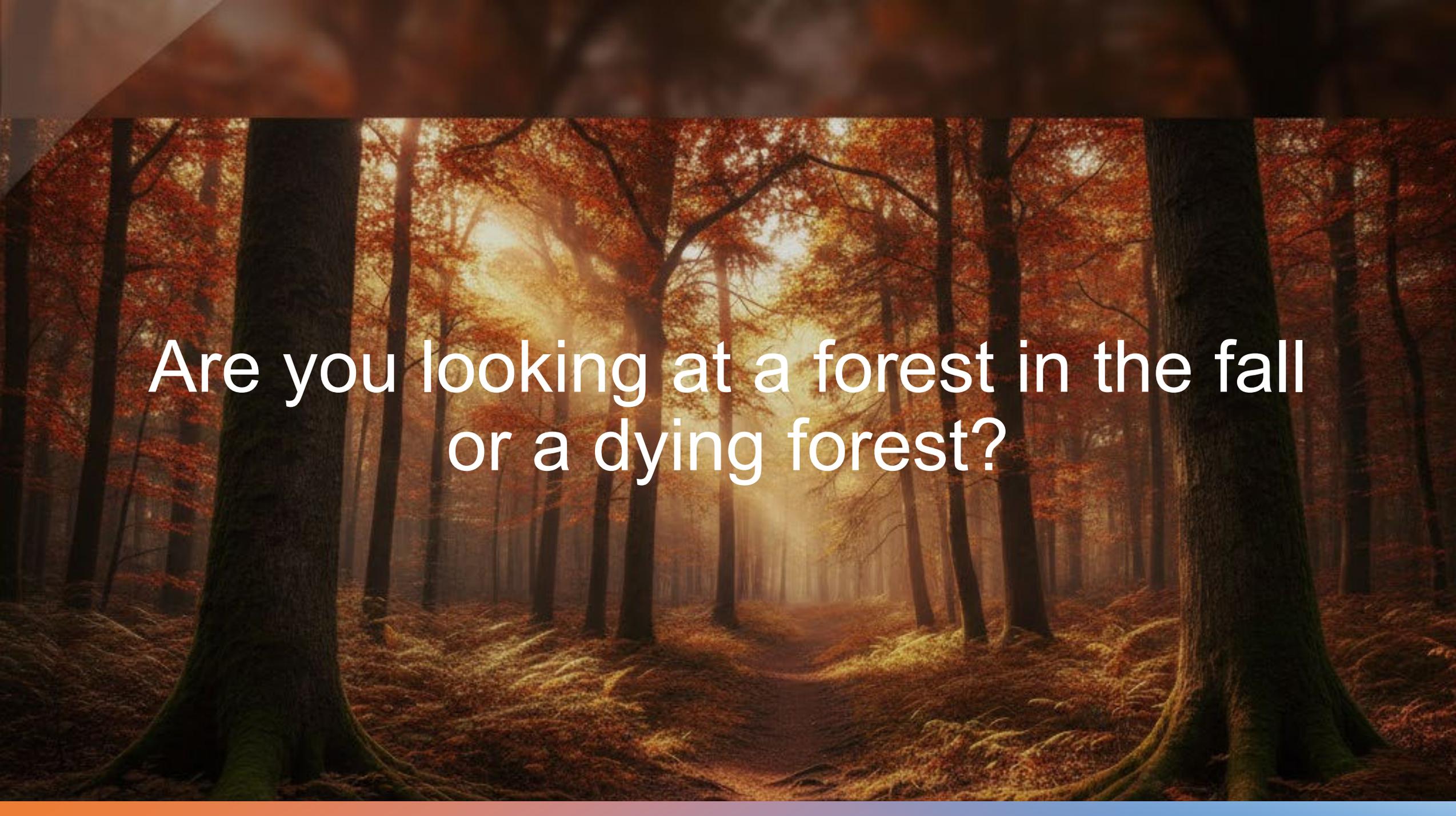


A misty forest scene with tall trees and a path leading into the distance. The text is overlaid in the center.

Chapter 4: The Fieldwork Forest

Study the Trees: Principle 14

- Know what the GIAS expect.
“Internal Auditors implement the engagement work program to achieve the engagement objectives.”
- Gather Information
- Perform Analyses
- Conduct Evaluations
- Produce Evidence

A photograph of a forest in autumn. The trees have vibrant orange and red foliage. Sunlight filters through the canopy, creating a warm, golden glow. The ground is covered in fallen leaves and moss. The text "Are you looking at a forest in the fall or a dying forest?" is overlaid in white.

Are you looking at a forest in the fall
or a dying forest?

Forest or a Tree: It Matters!



Fieldwork

Key Goal:

Determine if it is a dead tree, a sick forest, or a healthy seasonal change.

But how do we figure this out?

But How?

Fieldwork:
Gathering information that is:
Sufficient
Relevant
Reliable



But I am not an Arborist?!?

You are NOT the expert, but you
ARE the expert.

- You are not an arborist, but you know the framework.
- You are not an arborist, but you can evaluate the forest.
- You are not an arborist, but you can test effectiveness.

Don't sell your perspective
and expertise short.

Document, Document, Document...

- If you aren't questioning how much you are documenting, you probably aren't documenting enough.
- If you have seven links to eight folders and two hundred pages of information that even YOU didn't read, you are probably documenting too much.
- Two words: CLEAR AND CONCISE.



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Document, Document, Document...

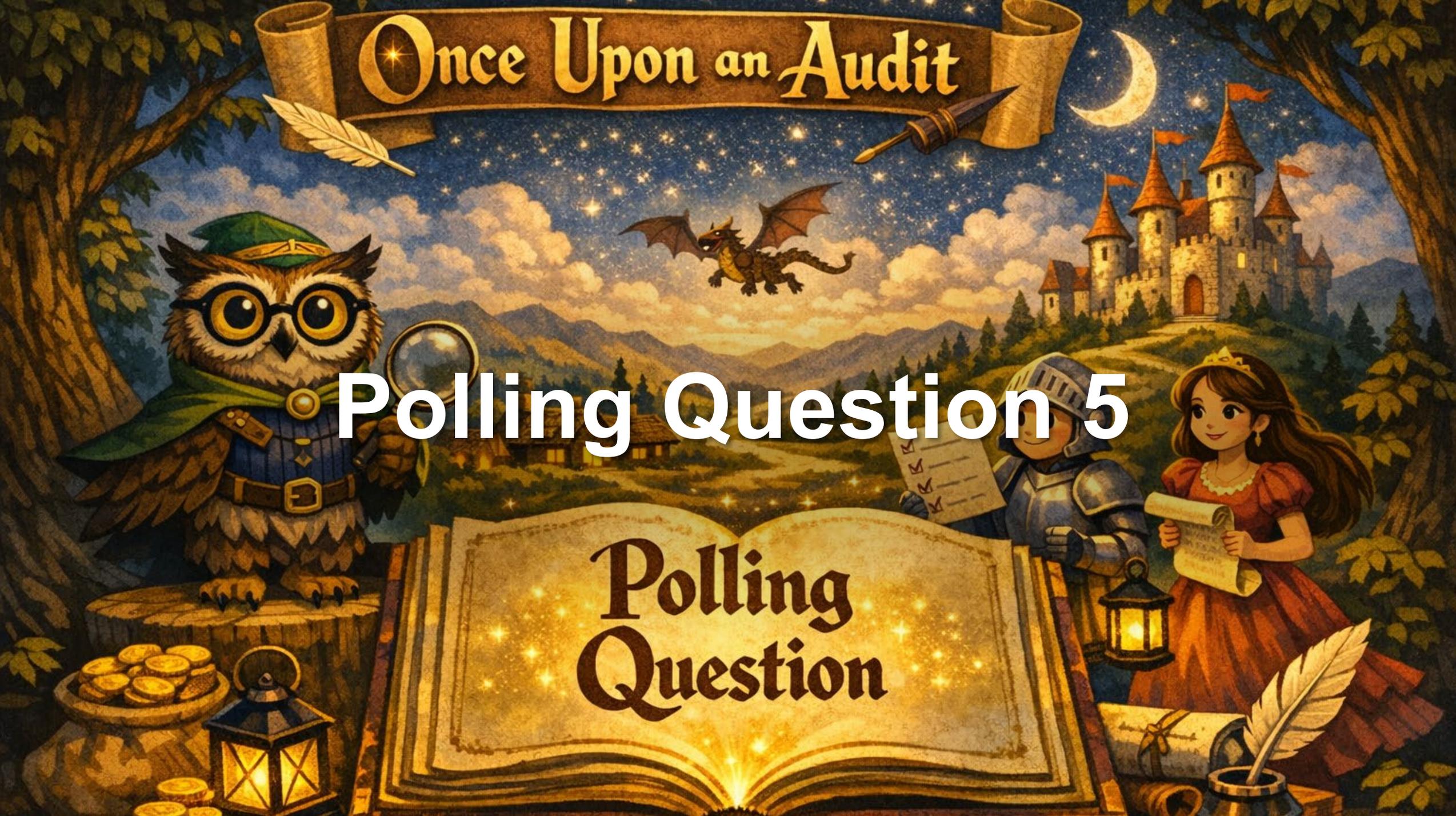
- Pretty workpapers can be exciting. Blowing a budget for something no one is likely to read, is not exciting.
- Work hard to find the balance between **clear and concise**; **recognizable and repeatable**; and **straightforward and effective**.
- If it looks good but I can't follow your thought process and analyses, it is ugly.



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Polling Question 5

Polling
Question

Add Value: Plant Trees!

- The value of the work isn't in the errors, it is the root cause analysis.
- The arborist won't think you are helping by cutting down more trees, but they will love help in figuring out how to get more people to pay attention to and help fix the problem.
- If you can't help plant a tree, at least don't help burn it down!



Is Your Saw Sharp?

You won't know if you don't ask!

- Coaching/Review Notes
- 1:1 with your Supervisor
- Get a Mentor!
- Participate in the Quality Assurance Review
- Poll the client



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Tips from the Old Man in the Forest

- Document it until you can explain it to your mom & dad.
- Don't reinvent the chainsaw, but don't take my word for it either.
- Perfect is the enemy of great.
- Sharpen your axe first in the objectives and work plan.
- Be the hero by saving the trees!

A tall, stone tower with a crenellated top, standing on a hillside in a mountainous landscape. The tower is the central focus, surrounded by rolling hills and valleys. The sky is clear and blue.

Chapter 5: The Castle of Reporting and Closing

- Principles & Standards Related to the Castle
- Findings, Recommendations, & Action Plans
- Communicate Effectively
- Exit Conferences
- The Report
- Follow-up & Monitoring

Principles & Standards Relating to the Castle of Reporting & Closing

- Principle 11: Communicate Effectively
- Principle 14: Conduct Engagement Work
- Principle 15: Communicate Engagement Results and Monitor Action Plan



Principle 11: Communicate Effectively

- Standard 11.2, *Effective Communication*
- Standard 11.3, *Communicating Results*
- Standard 11.4, *Errors & Omissions*
- Standard 11.5, *Communicating the Acceptance of Risk*

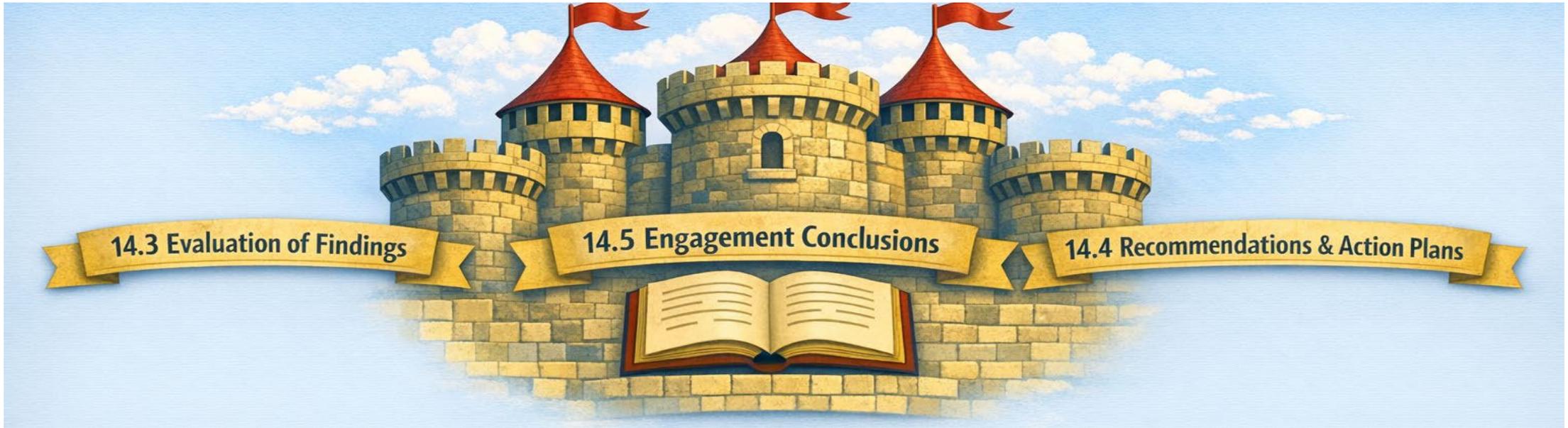


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Principle 14: Conduct Engagement Work



Condition

Criteria

Root Cause

Effect

Significance

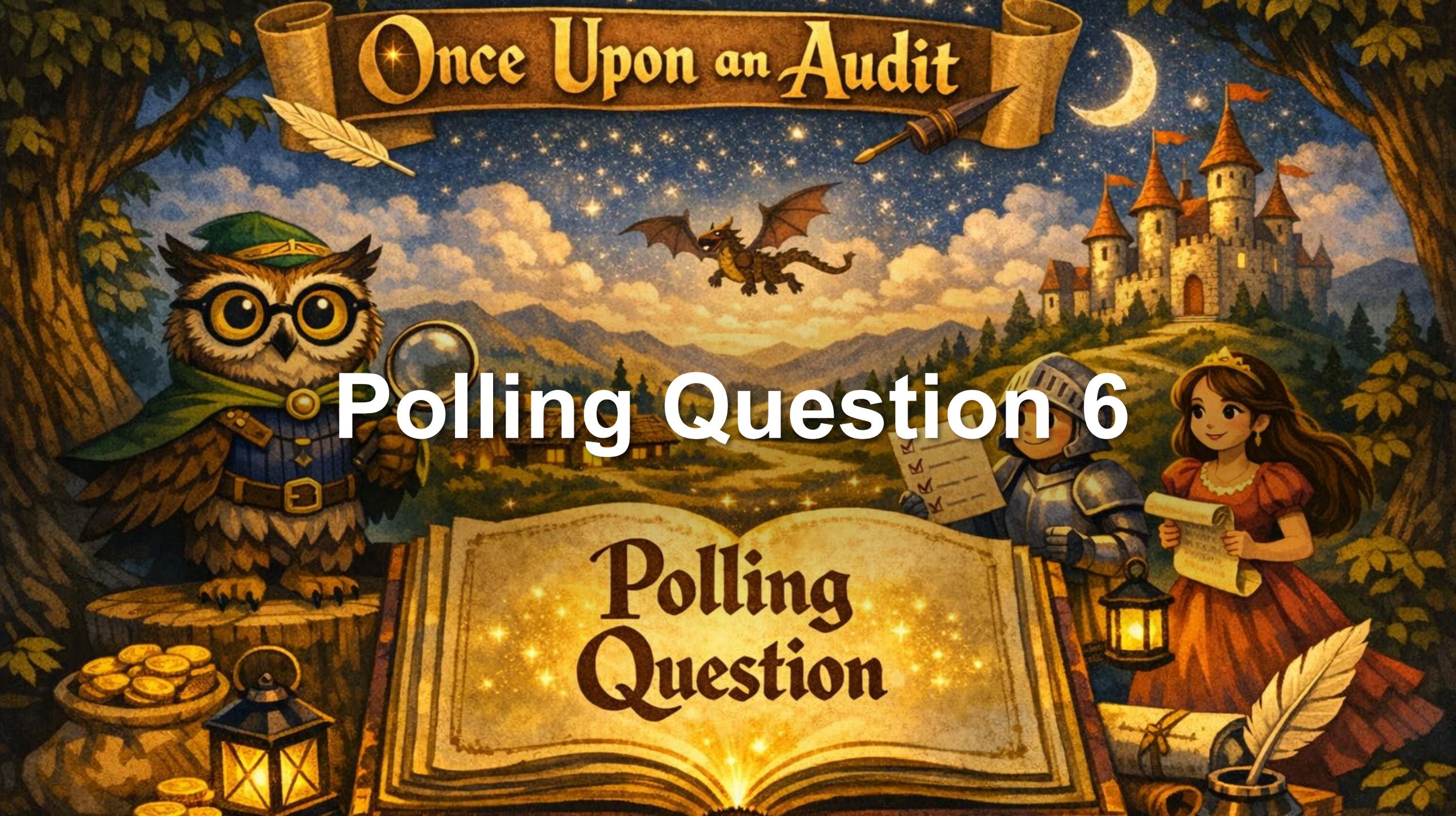
Recommend
or Action
Plan?



Once Upon an Audit

Polling Question 6

Polling
Question



Exit / Closing Conferences

Agenda*

- Objectives, Scope, and Risks
- Audit Methodology
- Audit Results
- Definition of Risks
- Observations
- Report Process
- Responding to Audit Recommendations
- Follow-up Process
- Questions



The Report!

Internal auditors **MUST** develop a final communication that includes the engagement’s objectives, scope, recommendations and/or action plans, and conclusions.

MUST include:

- Findings, significance, prioritization
- Explanation of any scope limitations
- Conclusion regarding the GRC of the activity reviewed.
- Individuals responsible for addressing the findings and planned date by which actions should be completed.
- Accurate, objective, clear, **concise**, constructive, complete, and timely.
- Review and approval by CAE before issuance.



Office of Audit & Advisory Services
April 1, 2026

Executive Summary

Audit Objective To assess the adequacy and effectiveness of the Office of the Wizard’s governance, risk management, and internal controls processes in supporting compliance, safeguarding resources, reliable and accurate information, the effective and efficient use of resources, and achieving strategic and operational objectives.									
Primary Risk Type Finance									
Date of Last Audit The Office of the Wizard’s operations have not been audited recently; however, within the past five years audits related to the Office have occurred in Faculty Hiring (Criminal Background Checks) in FY22, and Executive Travel and Entertainment in FY20.									
Controls and Strengths The Office of the Wizard has established and maintains effective internal controls in following areas: <ul style="list-style-type: none">• Conflict of interest compliance• Financial controls over expenditures									
Overall Conclusion Generally, the Office of the Wizard has adequate and effective governance, risk management, and internal controls processes. However, controls over asset management and departmental procedures can be improved.									
Observations by Risk Level Management has reviewed the observations and has provided responses and expected implementation dates. Detailed information is included in the attached report.									
<table border="1" style="width: 100%; border-collapse: collapse;"><thead><tr><th style="text-align: center;">Observation</th><th style="text-align: center;">Risk Level</th><th style="text-align: center;">Management’s Implementation Date</th></tr></thead><tbody><tr><td style="padding: 2px;">1. Asset Management</td><td style="text-align: center; background-color: red; color: white;">High</td><td style="text-align: center;">August 3, 2026</td></tr><tr><td style="padding: 2px;">2. Departmental Procedures</td><td style="text-align: center; background-color: yellow;">Medium</td><td style="text-align: center;">August 3, 2026</td></tr></tbody></table>	Observation	Risk Level	Management’s Implementation Date	1. Asset Management	High	August 3, 2026	2. Departmental Procedures	Medium	August 3, 2026
Observation	Risk Level	Management’s Implementation Date							
1. Asset Management	High	August 3, 2026							
2. Departmental Procedures	Medium	August 3, 2026							
<i>For details about the audit procedures, explanation of risk levels, and report distribution, please see Appendices A, B, and C, respectively, in the attached report.</i>									



Principle 15: Communicate Engagement Results and Monitor Action Plans

- Standard 15.1, Final Engagement Communication
- Standard 15.2, Confirming the Implementation of Recommendations or Action Plans



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Follow-up Process

Internal auditors **MUST:**
Confirm that management has implemented action plans.

If management has not progressed in implementation, obtain an explanation from management and discuss the issue with the CAE for further disposition.



Quarterly or As Determine by CAE



Contact Responsible Parties



Test High Risk, Get Client's Assertions on Medium & Low Risk



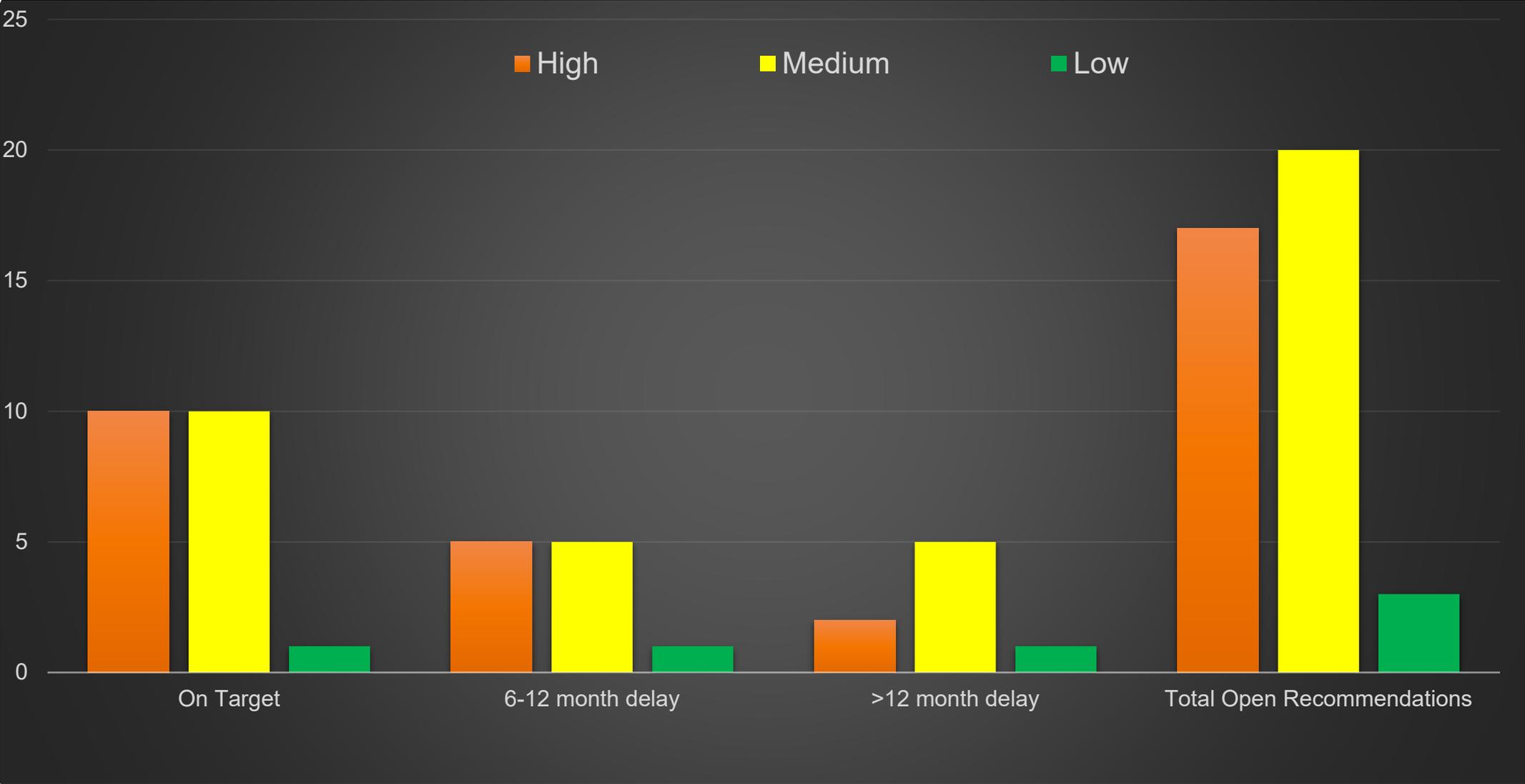
Update tracking system.



Communicate Results to Audit Committee



Example: Status of Management's Action Plans – Reporting to Audit Committee





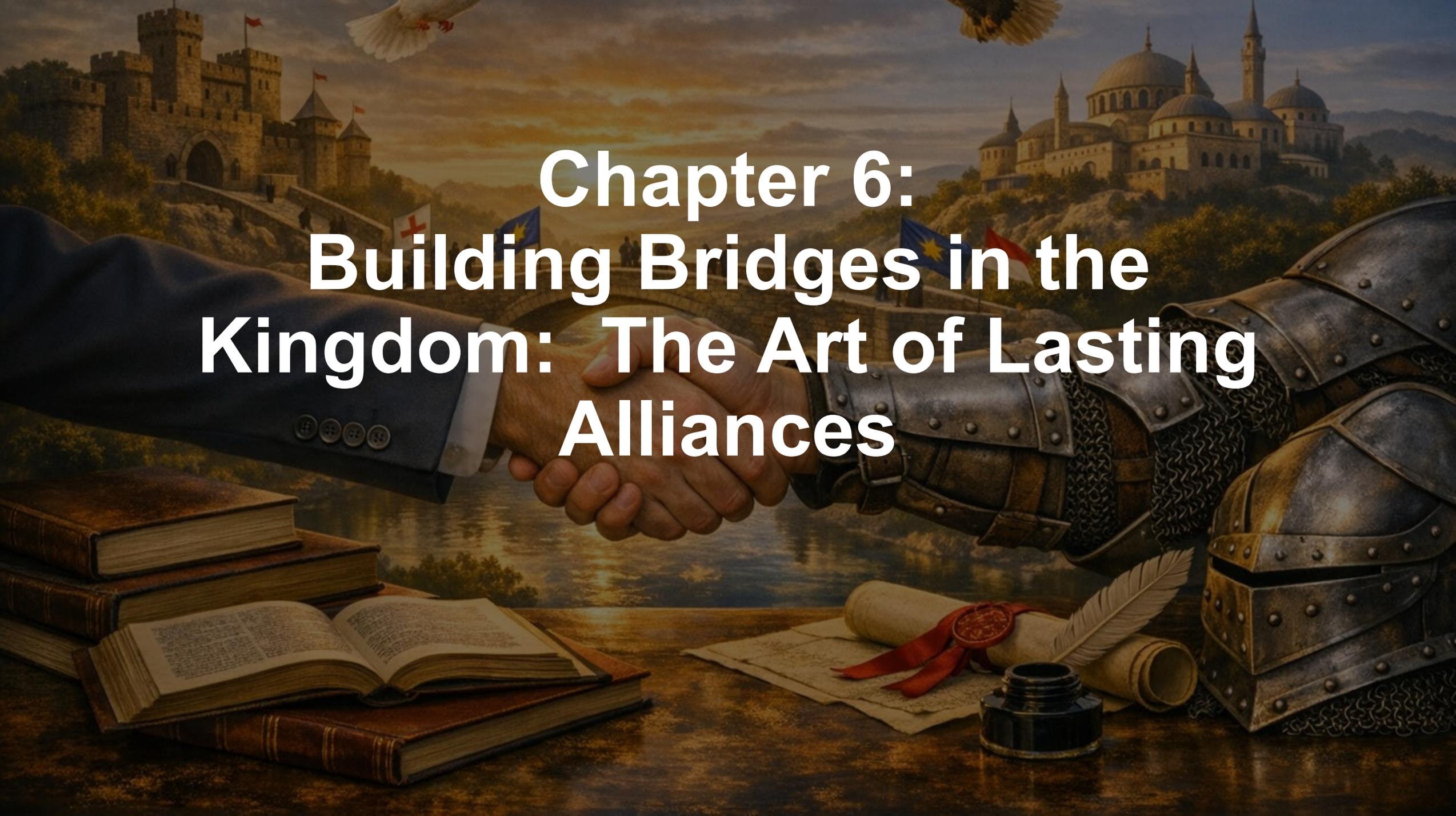
Congratulations!
Your Engagement is Complete.
You're on Your Way to Build the Bridge to Lasting
Alliances!



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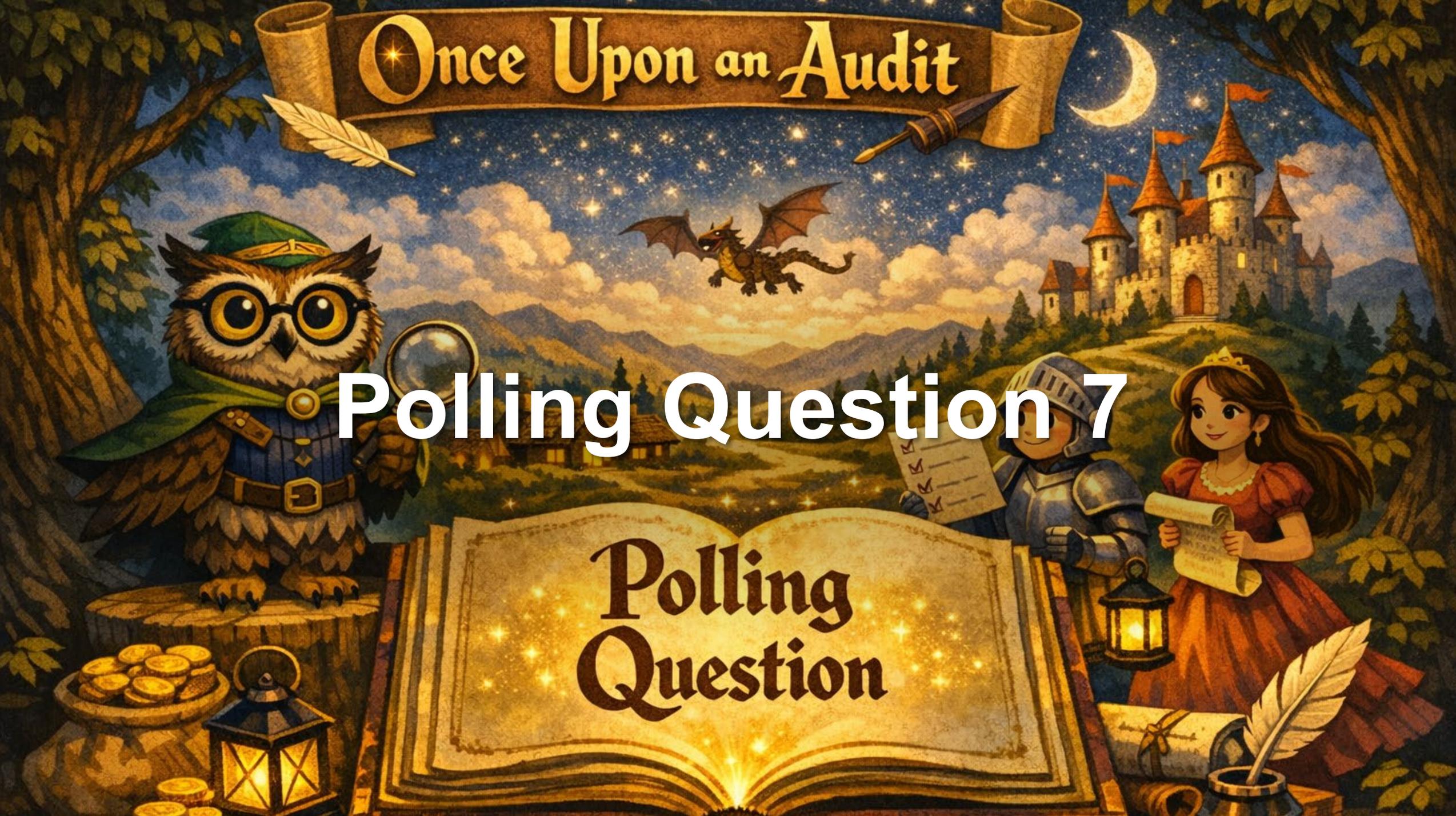


**Chapter 6:
Building Bridges in the
Kingdom: The Art of Lasting
Alliances**

Once Upon an Audit

Polling Question 7

Polling Question



Bridge Building

- Listen more than you talk
- Be constant in your ethics
- Demonstrate good judgment
- Build relationships
- Share information
- Base work in impactful areas



Inspire Kingdom-wide Trust



Fair, balanced,
accurate



Team's attitude



High-quality
reputation



Move beyond
traditional
audit areas



Automation,
data analysis,
artificial
intelligence



Strategic risk
focus



Higher
education
acumen



Viewed as
adding value

Bridge Building Beyond the Audit

- Schedule meetings with stakeholders
- Attend campus events
- When included in meetings, speak up
- Ask to be included in initiatives
- Use your bird's eye view
- Don't be afraid to change your conclusions/perceptions
- It's an iterative process – you will never be “finished.”



Put in the Chat!

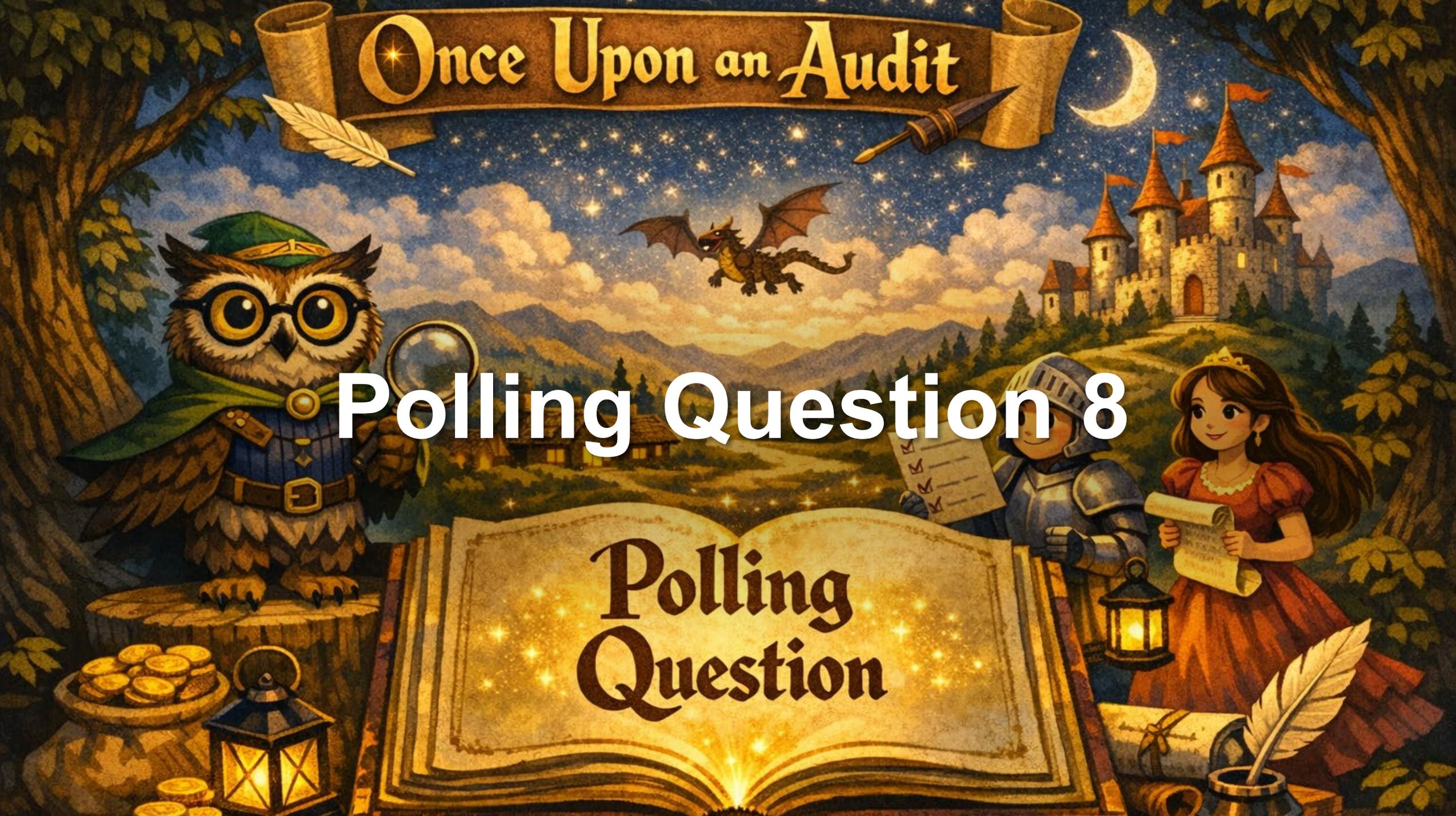
What are the
key takeaways
that you'll be using as
you continue your
journey in higher
education auditing?



Once Upon an Audit

Polling Question 8

Polling Question





Epilogue

- [Resources from the Seasoned Storytellers \(expires May 31, 2026\)](#)
- [The IIA Resources](#)
- [Link to UT System Public Audit Reports](#)
- [www.chronicle.com](#)
- [www.ncaa.com](#)
- [www.on3.com](#)
- <https://www.gao.gov/yellowbook>
- <https://sacscoc.org/>
- www.INSIDEhighered.com
- <https://www.nacubo.org/>
- <https://www.deloitte.com/us/en/insights/industry/articles-on-higher-education/2025-us-higher-education-trends.html>

And they lived happily ever after.



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