

**Audit Status Report
As of January 26, 2010**

State Legislative Audit Activities

None

External Audit Reports & Activities

Final Reports Issued:

NCAA Agreed-upon Procedures – UAA (Mikunda Cottrell)

NCAA Agreed-upon Procedures – UAF

UA Single Audit FY09 (KPMG)

Work in Progress:

University of Alaska TRS, PERS, and SSA (SOA Department of Administration)

FY07 Incurred Costs for Fringe Benefits (DCAA)

KUAC FY09 Financial Statements and CPB Report (RJ&G)

FY2010 Annual Audit Plan (*Italic Items* - have been completed or are in progress)

KPMG External Audit Support

Year-end cutoff
Inventory observation
Cash disbursements & bank transfers
Cash depositories
Auxiliary fund analysis
Unexpended plant fund addition
Search for unrecorded liabilities

Function and System Reviews

MAU Risk Assessments – in progress, this is an ongoing project
Continuous Controls Auditing – in progress, this is an ongoing project

UAA

Procurement
*Departmental Review**
Athletics
*Follow-up Audits**

UAF

Procurement
*Departmental Review**
*Rural Campus Review**
*Cash Receipts**
*Follow-up Audits**
UAF EPSCoR

UAS

Procurement
*Departmental Review**
*Rural Campus Review**

Information Systems Reviews

*Campus IT General Controls**
*Rural Campus Information Security**
Banner Program Upgrade Follow-up

Statewide

Procurement – next in queue
Travel
*Follow-up Audits**

Reports Issued:

- UAF Athletics and Campus Recreation Follow-up (FY09) – Draft report issued
- UAF Departmental Travel & Travel Card (FY09) – Draft Report issued

Audits in Review:

Statewide Departmental Cash Receipts (FY09)

FY2010 Audit Plan Progress

There are expected to be a few changes to the audits scheduled for FY10. We are currently in the process of hiring a student intern for spring 2010.

MAU Risk Assessments

Update:

We are scheduling the workshop and risk assessment with UAF at this time. A follow-up meeting is scheduled for UAA in late February.

Background:

In conjunction with the MAU risk assessments that our department is facilitating, we are also working with the chief risk officer to educate UA staff and leadership on enterprise risk management (ERM). It is appropriate for Internal Audit to assist with promoting this activity and lend advice on best practices for ERM. The director for Internal Audit has been providing this assistance with guidance from the Institute of Internal Auditors regarding appropriate auditor roles in ERM.

Our approach has been multi-step: contact each MAU to schedule time with the chancellor and their direct reports, use this time to host a workshop to explain and discuss ERM, and facilitate an executive-level risk assessment (ERA) with the attendees. Part of the ERA process is to assign a responsible person or position to the areas identified, and then to determine the best course of action or mitigation. Suggested next steps for each MAU include performing a risk assessment on the areas that have been identified as higher in risk. Typically this would be a more detailed risk assessment conducted by a single department's staff.

Each MAUs ERA will be presented to the Audit Committee during FY10. A consolidated version of the risk assessment results will be presented to the full board at the June meeting. Internal Audit will also be able to use the results to assist with development of the FY11 audit plan. The ERM process will aid the Board of Regents with their oversight and fiduciary responsibilities by presenting a list of risks, identified and prioritized, by the positions that are most familiar with the business functions.

We plan to continue this approach in FY11 to assist the MAUs, individual departments, and extended sites with their risk assessments, as resources allow.

Other Department Activities

- Continuous Controls Monitoring – This is an ongoing project that involves analytical tests which run automatically on a prescheduled basis. An auditor has been assigned to the follow-up of results from tests, refinement of tests, and development of new tests.
 - Potential Duplicate Payments by Accounts Payable
 - Potential Scheduled Payments (unauthorized)
 - Representational expenditures with inappropriate funding sources
 - Gifts Exceeding \$25 Threshold
 - Potential Duplicate Payroll Checks
 - Terminated Employees on the Payroll
 - Phantom Employees
- Executive Travel and Compensation Report
- Quality Assessment Review (QAR) – Progress chart attached

Statewide Internal Audit
Quality Assessment Review - Progress Chart
As of January 26, 2010

Tool	Title	Completed Date	Notes
Tool 1	Preparation and Planning for Conducting a QA	12/1/2008	Completed
Tool 2	Self-Assessment Guide		
Tool 3	Chief Audit Executive Questionnaire	5/13/2009	Completed
Tool 4	Audit Customer Survey	7/24/2009	Completed
Tool 5	Internal Audit Activity Staff Survey	6/18/2009	Completed
Tool 6	Interview Guide - Board (Audit Committee) Member	12/16/09	Completed with Regent Tim Brady
Tool 7	Interview Guide – Executive to Whom the CAE Reports	5/21/2009	Completed with Joe Trubacz, CFO
Tool 8	Interview Guide – Senior and Operating Management	11/6/2009	Completed with Myron Dosch, Controller; Mark Hamilton, President; and scheduled for Dan Julius, Vice President for Academic Affairs.
Tool 8A	Interview Guide – Chief Information Officer		Scheduled for 1/27/2010
Tool 9	Interview Guide – Chief Audit Executive		
Tool 10	Interview Guide – Internal Audit Activity Staff	12/18/2009	Completed
Tool 11	Interview Guide – External Auditor	1/5/2010	Completed
Tool 12	IA Activity Structure and Responsibilities	1/12/2009	Completed
Tool 13	Risk Assessment and Audit Planning	1/20/2009	Completed
Tool 14	Staff Professional Proficiency	2/2/2009	Completed
Tool 15	Information Technology	2/16/2009	Completed
Tool 16	Assessing Production and Value Added	3/9/2009	Completed
Tool 17	Planning and Conducting the Engagement, Work Paper Review, Audit Report, and Monitoring Progress	1/22/2010	Completed
Tool 18	Observations and Issues Worksheet		This is where we describe the exceptions noted in the other tools.
Tool 19	Standards Compliance Evaluation Summary		This is the summary of all the work papers.
Tool 20	Reports – Explanatory Information		