

**Internal Audit Status Report
As of May 11, 2012**

FY2012 Annual Audit Plan

Italic Items - have been completed or are in progress

External Financial Audit Support:

<p><i>Year-end cutoff</i> <i>Inventory observation</i> <i>Cash disbursements & bank transfers</i> <i>Cash depositories</i></p>	<p><i>Auxiliary fund analysis</i> <i>Unexpended plant fund additions</i> <i>Search for Unrecorded Liabilities</i></p>
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Audits and Projects:

<p>University of Alaska Anchorage: Department Review* Restricted Funds Athletics** Representational Expenditures* Student Fees</p>	<p>Function and System Reviews: <i>Banking and Reconciliation Activities</i> Contracts BCP/DRP Effort Reporting (FY11)</p>
<p>University of Alaska Fairbanks: Department Review* Restricted Funds** Athletics Procurement** Student Fees</p>	<p>Information Systems Reviews: <i>Outsourced Services</i> Banner Access Campus IT General Controls** Banner Program Upgrade**</p> <p><i>Follow-up Auditing</i></p>
<p>University of Alaska Southeast: Department Review - 2* Restricted Funds Restricted Funds (FY11)</p>	<p>Special Requests* Special Request #1</p> <p>Investigations* Investigation #1</p>
<p>Statewide: Facilities Procurement** Follow-up Audit** - next in queue</p>	

*Specific departments/areas to be determined later

**Carried forward from FY11

1. FY2012 Audit Plan Progress

a. At the February meeting we communicated a list of audits that are not expected to be conducted. These have been evaluated for inclusion on the FY13 audit plan.

i. Included on the FY13 plan:

1. UAA Restricted Funds – included on FY13 plan
2. UAA Department Review
3. UAF Department Review
4. Contracts
5. Banner Access
6. Statewide Follow-up – will be included in FY13 audit follow-up activities

ii. Removed from the audit plan:

1. UAA Student Fees
2. UAA Representational Expenditures
3. UAF Procurement
4. UAF Student Fees
5. UAF Athletics
6. Statewide Facilities
7. Statewide Procurement

b. We had three occurrences of requests for assistance by the Office of General Counsel and Statewide Labor Relations immediately following February Board of Regents meeting. Two resulted in an investigation and the third is scheduled for review.

2. Audit Department Staffing

a. Currently we have two full-time auditors, one student intern and the director. Recruitment for a vacant auditor position is in progress at this time.

3. Audit Reports:

a. UAA Facilities – final report issued

b. UAS School of Education Restricted Funds – final report issued

- c. UAA Kenai Peninsula College Data Security – preliminary report issued
- d. UAF Follow-up Auditing

4. Other Department Activities

- a. Quality Assessment Review (QAR) Remediation - Recommendations from the report are being implemented at this time.
- b. Effort Reporting Work Group
- c. Participation on the Payment Card Industry Data Security Standards (PCI DSS) Compliance Committee
- d. External Audit Request for Proposal (early FY13)
- e. 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
 - Excessive Overtime
 - Potentially Prohibited Credit Card Transactions
 - Potentially Miscoded Credit Card Transactions
 - Transactions Associated with Excluded Merchant Types
 - Purchases that Exceed a Credit Card Holder's Single Purchase Limit
 - Credit Card Holders with High Dollar Volumes of Purchase Activity
 - Credit Card Transactions on Holidays

Statewide Internal Audit - Internal Audit Status Report
 Follow-up Audit Status

