

**Internal Audit Status Report  
As of August 27, 2012**

FY2013 Annual Audit Plan

*Italic Items - have been completed or are in progress*

External Financial Audit Support:

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

<p>University of Alaska Anchorage:</p> <p style="padding-left: 20px;"><i>Restricted Funds Compliance*</i></p> <p style="padding-left: 20px;"><i>Departmental Cash Receipts**</i></p> <p style="padding-left: 20px;"><i>Departmental Review** - Mat-Su College</i></p> <p>University of Alaska Fairbanks:</p> <p style="padding-left: 20px;"><i>Restricted Funds Compliance*</i></p> <p style="padding-left: 20px;"><i>Departmental Cash Receipts**</i></p> <p style="padding-left: 20px;"><i>Departmental Review*</i></p> <p>University of Alaska Southeast:</p> <p style="padding-left: 20px;"><i>Title III and Title IV Compliance</i></p> <p style="padding-left: 20px;"><i>Sitka Campus</i></p> <p style="padding-left: 20px;"><i>Human Resources (FY12)</i></p> <p>Statewide:</p> <p style="padding-left: 20px;"><i>Restricted Funds Compliance</i></p> <p>Function and System Reviews:</p> <p style="padding-left: 20px;"><i>Fixed Cost Contracts Analysis**</i></p>	<p><i>Fraud and Ethics Incident Management</i></p> <p><i>Effort Reporting (FY11)</i></p> <p>Information Systems Reviews:</p> <p style="padding-left: 20px;"><i>Banner Access Controls**</i></p> <p style="padding-left: 20px;"><i>OnBase Access Controls</i></p> <p style="padding-left: 20px;"><i>Data Integrity</i></p> <p style="padding-left: 20px;"><i>IT Governance</i></p> <p style="padding-left: 20px;"><i>Outsourced IT Services (FY12)</i></p> <p style="padding-left: 20px;"><i>Banner Program Upgrade (FY12)</i></p> <p><i>Ongoing Audits:</i></p> <p style="padding-left: 20px;"><i>Follow-up Auditing</i></p> <p style="padding-left: 20px;"><i>Continuous Controls Auditing</i></p> <p><i>Special Requests*</i></p> <p><i>Investigations*</i></p>
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\*Specific departments/areas to be determined later

\*\*Carried forward from FY12

1. FY2013 Audit Plan Progress and Department Staffing

- a. The FY2013 annual audit plan was presented and approved at the June meeting. It was based on our former staffing level of three full-time auditors, one student intern and the director. In July, we gained a new auditor position, so that we now have four full-time auditors, one student intern and the director. Two of the four full-time auditors are new to the department (June and July start dates).
- b. The FY2013 audit plan will largely remain unchanged since it typically takes longer for new auditors to become trained and gain the skills necessary to complete audits independently. We expect to accomplish more follow-up auditing than expected, however.
- c. Each of the four full-time auditors is pursuing professional certifications.

2. Audit Reports:

- a. UAA Kenai Peninsula College Data Security – final report issued for the Kenai River Campus

3. Support and Consultation Activities

- a. External Audit Request for Proposal (early FY13)
- b. Implementation of Issue Track for campus-designated employees to be able to view open audit recommendations.
- c. Presentation on software license auditing given at the Pacific Northwest Higher Education Internal Auditors conference and the Association for College and University Auditors conference.
- d. Information security awareness research and meetings.
- e. System wide risk profile.
- f. Contract authorization and delegation of authority research.
- g. Internal control discussions with staff system wide (upon request).
- h. Quality Assessment Review (QAR) remediation.

4. Continuous Controls Auditing

This is an ongoing project that involves analytical tests that 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