



University of Alaska Board of Regents Audit Committee Meeting

Fairbanks, Alaska
December 7, 2012

Presented by: Nichole Pittman, CIA, CISA
Director for Statewide Internal Audit



Board of Regents Audit Committee Meeting

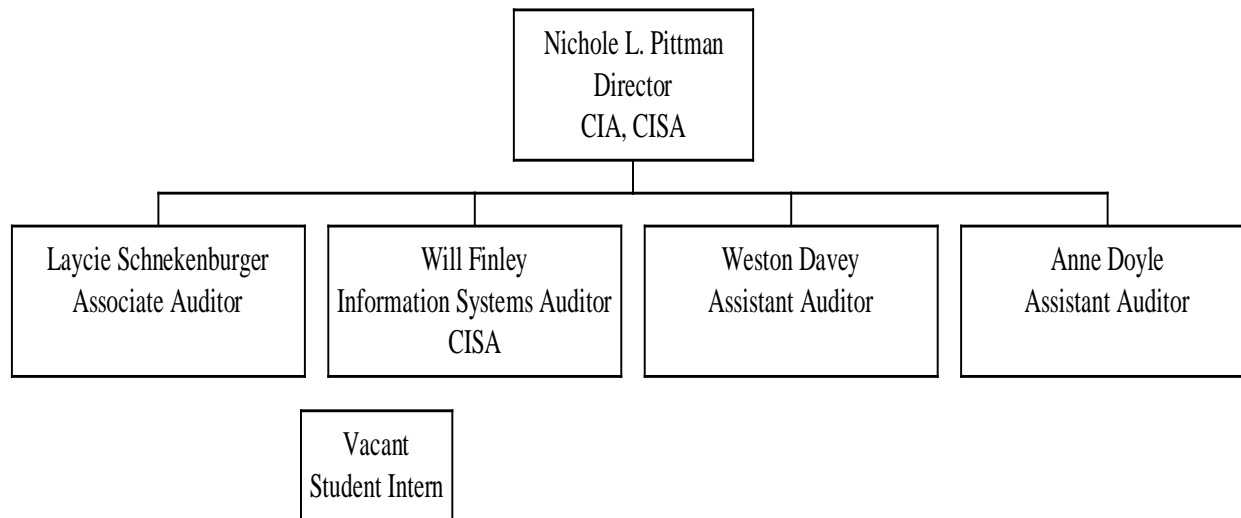
Agenda Item VI.A Internal Audit Status Report

Internal Audit – Progress of FY13 Annual Audit Plan

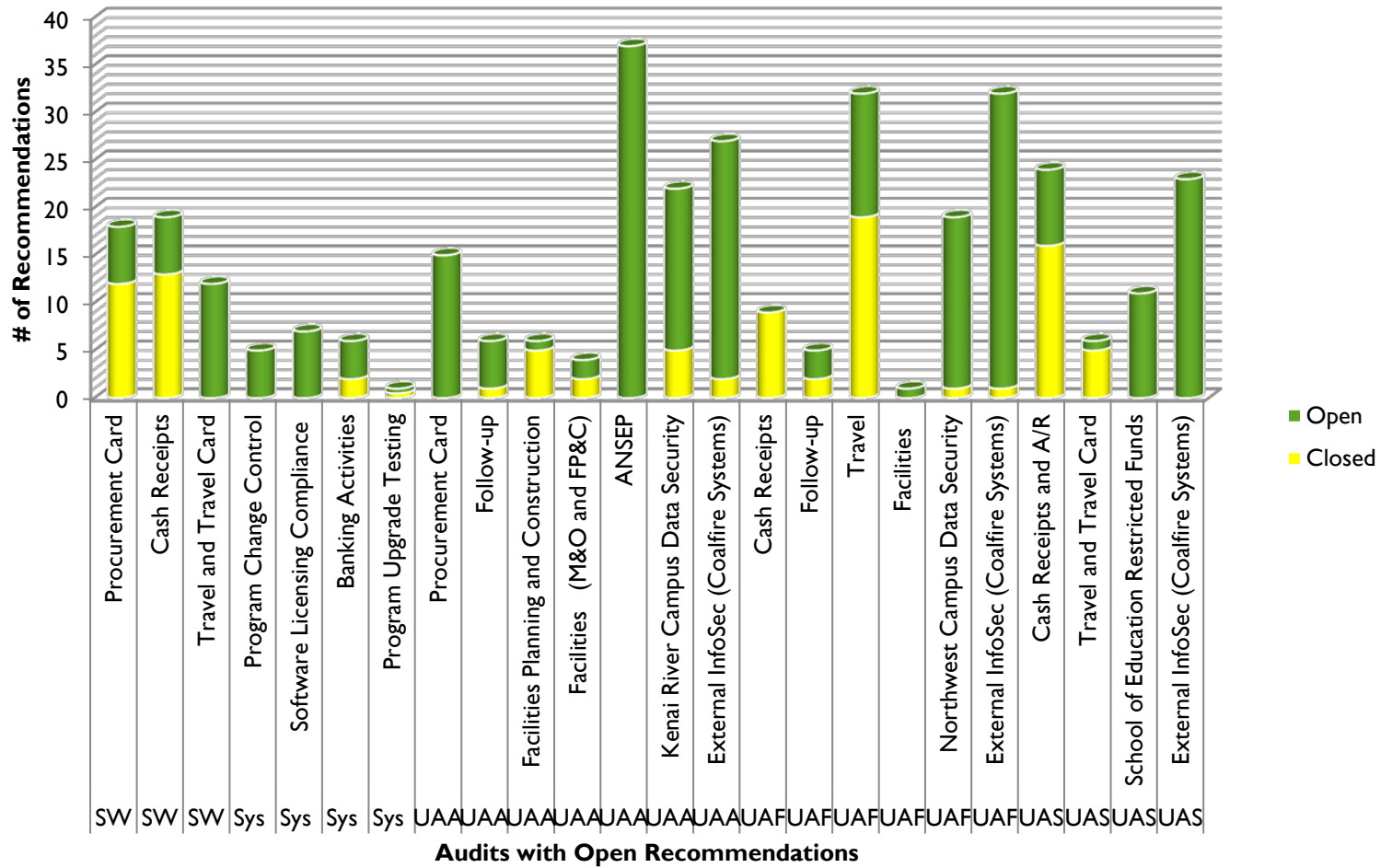
- **Completed:**
 - External audit support
- **In progress:**
 - Sponsored Programs Effort Reporting
 - UAF Cash Receipts and Accounts Receivable
 - Statewide Restricted Funds
- **Ongoing:**
 - Follow-up Auditing
 - Continuous Controls Auditing using ACL
- **Reports Issued:**
 - Outsourced IT Services
 - Banner Program Upgrade
 - UAS Human Resources

Internal Audit – Staffing as of 11/05/12

Internal Audit Department



Status of Follow-up Auditing



Status of Follow-up Auditing – Metrics

- Percent of Follow-up Items Conducted or In-progress
77%
(105 of 137)
- Percent of Follow-up Items Closed
22%
(29.5 count)
- # of Follow-up Items Remaining Open after Follow-up
7.5 count
- # of Follow-up Items Due for Follow-up
49 count

Internal Audit – Other Activities

- External audit request for proposal (RFP)
- Implementation of Issue Track for campus-designated employees to be able to view open audit recommendations.
- Effort certification process redesign.
- Business continuity implementation team.
- Internal control discussions with staff system wide (upon request).
- Quality assessment review (QAR) remediation.



**Board of Regents
Audit Committee Meeting**

**Agenda Item VI.B
External Audit Status Report**

External Audit Reports – Final Reports Issued

- FY13 Fringe Benefit Rates (DCAA)
- University of Alaska Annual Financial Audit FY12 (KPMG)
- UA Foundation and Consolidated Fund FY12 (KPMG)
- UA A-133 Single Audit FY12 (KPMG)
- College Savings Plan and Education Trust of Alaska (PWC)

External Audits – Work in Progress

- PERS/TRS 2010 Payroll and Personnel Systems (State Dept of Administration)
- UAF Sikuliaq Research Vessel (NSF)
- KUAC TV9 FM 89.9 (RJG)



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Agenda Item VI.C Quality Assurance Review Remediation Update

QAR Remediation Update

Last December Mr. Don Holdegraver, Chief Internal Auditor for the University of North Texas System, presented the results of his external validation of our quality assurance review self-assessment. This is a requirement of the Institute of Internal Auditors. Results included areas of improvement within administrative and performance categories.

Highlights of remediation completed:

1. Implemented an electronic work paper program (this aided greatly with remediating items listed below)
 - a) Time budgets for each auditor are updated and variances explained
 - b) Continuing education for each auditor is centrally maintained
 - c) Timely issue of audit reports
 - d) Timely follow-up of prior audit recommendations
2. Addition of a new internal auditor without increasing the Statewide headcount
3. Performed annual performance evaluations for each auditor
4. Implemented a template for audit risk and fraud risk assessments
5. Added a customer survey to the Internal Audit department webpage

QAR Remediation Update

Highlights of remediation in-progress:

1. Development of an annual report that includes administrative and performance metrics (Target: June completion)
2. Reducing the total audit cycle time for individual audits and their follow-up (June completion)
3. Guidelines governing the process for the audit director's annual performance evaluation and compensation adjustments
4. Revisions to the audit charter

Additionally, we have revised the Internal Audit department website for:

- a) Improved communications with the university community
- b) Added guidance and information regarding the audit department and audit process
 - o Future enhancements:
 - Frequently asked questions
 - Common audit risks

The next QAR is scheduled for summer 2015, four years from the completion of the prior QAR.