

Agenda
Board of Regents
Audit Committee
Friday, September 19, 2014; *8:00 a.m. – 9:00 a.m.
UAS Recreation Center, Room 116
University of Alaska Southeast
Juneau, Alaska

**Times for meetings are subject to modifications within the September 18-19, 2014 time frame.*

Committee Members:

Gloria O’Neill, Committee Chair
Timothy Brady

Michael Powers
Patricia Jacobson, Board Chair

I. Call to Order

II. Adoption of Agenda

MOTION

"The Audit Committee adopts the agenda as presented.

- I. Call to Order**
- II. Adoption of Agenda**
- III. External Auditor Comments**
- IV. Executive Session**
- V. Full Board Consent Agenda**
 - A. Acceptance of the University of Alaska Foundation FY15 Operating Budget**
- VI. New Business**
 - A. Common Issues & Risks for Audit Committee Focus**
- VII. Annual Reports**
 - A. 2014 UA Identity Theft Prevention Program Report**
 - B. 2014 UA Statewide Office of Audit and Consulting Services Annual Report**
- VIII. Future Agenda Items**
- IX. Adjourn**

This motion is effective September 19, 2014."

III. External Auditor Comments

Tammy Erickson and Pam Cleaver, engagement partners from Moss Adams, will discuss the status of the annual financial audit and the federal single audit with the committee.

IV. Executive Session

MOTION

"The Audit Committee of the Board of Regents goes into executive session to discuss matters the immediate knowledge of which would have an adverse effect on the finances of the university related to fraud. This motion is effective September 19, 2014."

(To be announced prior to commencing executive session:)

The Audit Committee of the Board of Regents goes into executive session at ____ a.m. Alaska Time in accordance with AS 44.62.310. The session will include members of the Board of Regents, Chief Audit Executive Pittman, General Counsel Hostina, and other university staff designated by the audit chair and will last approximately _____.

(To be announced at the conclusion of executive session:)

The Audit Committee of the Board of Regents concluded an executive session at ____ a.m. Alaska Time in accordance with AS 44.62.310 to discuss matters the immediate knowledge of which would have an adverse effect on the finances of the university related to fraud. The session included members of the Board of Regents, Chief Audit Executive Pittman, General Counsel Hostina, and other university staff designated by the audit chair and lasted approximately _____.

V. Full Board Consent Agenda

- A. Acceptance of the University of Alaska Foundation FY15 Operating Budget Reference 19

MOTION

"The Audit Committee recommends that the Board of Regents accept the University of Alaska Foundation Operating Budget for FY15 as presented and approved by the Foundation's Board of Trustees at its June 4, 2014 meeting. This motion is effective September 19, 2014."

BACKGROUND

In 2007, the foundation and the university finalized a process that clearly defined the role and responsibilities of the foundation as they relate to the university. As part of the process, the foundation established a financial plan to underwrite the costs of the foundation's programs and operation. In an effort to foster a cooperative and transparent working relationship, the foundation's annual operating budget, as approved by the Foundation's Board of Trustees, is presented to the Board of Regents for the board's acceptance.

FY15 BOARD OF TRUSTEES APPROVED OPERATING BUDGET

The UA Foundation Board of Trustees approved the UA Foundation's FY15 operating budget at its June 4, 2014 meeting.

FY15 revenues are budgeted slightly higher than FY14 budgeted and actual revenues. An increase in the unrestricted endowment distribution and in fee income as a result of improved investment returns and endowment growth will help to make up for a reduction of \$200,000 in institutional support, as will a \$100,000 transfer from the unrestricted fund balance.

FY15 expenses are slightly higher than FY14 budgeted expenses, but lower than FY14 actual expenditures. Staff turnover and challenges in filling two vacant positions resulted in the lower than budgeted expenses in FY14. The two vacant positions have now been filled.

The slight budget increase allows for investment in fund development strategies (training and technical assistance) that have already proven effective in helping the university development teams to increase contributions and a pilot project aimed at helping community campus development efforts.

The UA Foundation Board of Trustees also voted to provide a special grant of \$57,950 in support of faculty travel related to Shaping Alaska's Future implementation efforts.

VI. New Business

B. Common Issues & Risks for Audit Committee Focus Addendum 23

Vice President Roy will provide a presentation on Common Risks and Issues pertinent to audit committees and answer any questions members of the committee may have. This is an information and discussion item; no action is required.

VII. Annual Reports

A. 2014 UA Identity Theft Prevention Program Report Addendum 24

Vice President Roy will review the 2014 UA Identity Theft Prevention Program Report and answer any questions members of the committee may have. This is an information item; no action is necessary.

B. 2014 UA Statewide Office of Audit and Consulting Services Annual Report Addendum 25

Nichole Pittman, chief audit executive, will review the UA Statewide Office of Audit and Consulting Services Fiscal Year 2014 Annual Report and answer any questions members of the committee may have. This is an information item; no action is necessary.

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The report offers a high-level yet comprehensive view of the department's activities for the fiscal year. It is intended to fulfill standards promulgated by the International Institute of Internal Auditors for communication to senior management and the board. The report also highlights completed audits and projects; the final status of the FY14 annual audit plan; and a current status of the FY15 annual audit plan. It also describes departmental goals and accomplishments by four strategic areas: audit engagements, staffing, quality assurance and outreach.

VIII. Future Agenda Items

IX. Adjourn