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Executive Summary

The Board of Regents of the University of Alaska has oversight responsibility for internal and external audit functions, and for ascertaining the existence and adequacy of accounting and internal control systems and safeguards over University assets. The mission of the Office of Audit and Consulting Services (A&CS) is to "Assist the board and management in the effective discharge of their fiduciary and administrative responsibilities by providing analysis, appraisals, counsel, information and recommendations concerning activities reviewed and by promoting effective controls for the recording and reporting of operational activities and for the custody and safeguarding of assets."

This report contains an overview of the A&CS organization, a summarization of the internal reports issued over the past fiscal year and progress made toward completing the FY2014 audit plan. This report is being provided in accordance with the audit charter, which states:

- P05.03.020. Organization.
 - A. The chief audit executive shall report administratively to the chief finance officer and functionally to the chair of the Audit Committee of the board.
- P05.03.026. Audit Planning.
 - A. The chief audit executive shall independently develop the annual audit plan using a risk based prioritization of the audit universe.
 - B. The chief audit executive shall present the audit plan to the Audit Committee for review and approval.
 - C. Significant deviation from the formally approved plan will be communicated to senior management and the Audit Committee through periodic status reports.

The A&CS charter was developed in accordance

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Five professional audit staff serve all locations within the UA system. The staff has a variety of specialized subject matter expertise:

- 2 Certified Information Systems Auditors (CISA)
- 2 Masters of Business Administration (MBA)
- 1 Certified Public Accountant (CPA)
- 1 Certified Internal Auditor (CIA)
- 1 Certified Management Accountant (CMA)
- 1 Certified Fraud Examiner (CFE)

Auditors continue to pursue professional certifications such as the CPA, CIA and CFE. Achievement of professional certifications supports A&CS achieve [Vision and Values](#)



2014 Fiscal Year Goals and Accomplishments

Audit and Consulting Services Mission Statement

The mission of the audit and consulting services department is to assist the board and management in the effective discharge of their fiduciary and administrative responsibilities by providing analysis, appraisals, counsel, information and recommendations concerning activities reviewed and by promoting effective controls for the recording and reporting of operational activities and for the custody and safeguarding of assets.

<p>to risks associated with fraud, waste and abuse.</p>	<p>3 instances where the potential for fraud, waste or abuse were reviewed and deemed that an investigation was not necessary or the determination is in progress</p> <p>Assisted with the development of a proposed fraud, waste and abuse policy and regulation, following best practices.</p> <p>Assisted with the review, selection and implementation of a systemwide hotline:</p> <p style="text-align: center;">Toll Free 855-251-5719</p> <p>Hired a senior auditor that recently achieved the Certified Fraud Examiner credential.</p> <p>Audit-level risk assessments include a fraud risk assessment.</p>
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Staffing Goals	Accomplishments
<p>Employ highly effective personnel that possess the technical and effective communication skill sets necessary to ensure successful identification and implementation of value added recommendations.</p>	<p>Annual career development planning was conducted with all audit staff.</p> <p>Performance evaluations were conducted for all audit staff.</p> <p>All staff received continuing professional education (minimum of 40 CPEs per year) to improve their performance as required by governmental auditing standards and certifying organizations</p> <p>Hired a senior auditor that is a Certified Public Accountant, Certified Management Accountant, and just received her designation as Certified Fraud Examiner.</p> <p>All staff participated in professional organizations to remain current on industry and technical trends as well as to facilitate networking opportunities. Staff member participation included</p> <ul style="list-style-type: none"> • Systems of Higher Education Chief Audit Executive forum • Association of College and University Auditors forum conference track coordinator, membership committee and distance learning committee • Pacific Northwest Higher Education Internal Auditors

	regional conference presenter.
Quality Assurance (QA) Goals	Accomplishments
Employ internal operational practices that comply with auditing standards and promote efficient use of limited resources.	<p>Received a rating of partially conforms from a peer review conducted by a representative of the University of North Texas in fiscal year 2012. The majority of recommendations have been addressed successfully, as reported to the Audit Committee during regular meetings. The next peer review is scheduled to begin in fiscal year 2016.</p> <p>Modified the audit planning and reporting templates and numerous work paper templates to improve efficiency and meet the needs of executive management.</p> <p>Monitored continuing professional education (CPEs) to ensure the auditors received training that aligned with and enhanced their knowledge on topics related to the audit profession, higher education, and their specific audits and projects</p>

Aid the internal audit profession and gain ideas to improve QA methods by volunteering to conduct

	Discussed compliance and information security with the board and formal committees.
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Status of FY2015 Annual Audit Plan

As of August 2014

Italic Items have been completed or are in progress

External Financial Audit Support:

Payroll
Journal Entries
Cash Disbursements
Cash

Tuition and Fees
Wires
Procurement Card
Search for Unrecorded Liabilities

Audits and Projects:

Function and System Reviews*:

1. Student Enrollment
2. Payroll and Human Resources
3. Travel and Travel Card
4. Accounts Receivable

Legend:

* Specific departments/areas to be

Information Systems Reviews:

1. Mobile Technology Security**
2. Records Management and Data Disposal*
3. New Systems Governance
4. OnBase Access Controls (FY14)

Ongoing Audits:

Follow-up Auditing
Continuous Controls Auditing