

March 21, 2018

MEMORANDUM

TO: State Board of Regents  
FROM: David L. Buhler  
SUBJECT: USHE – Regent Audit Subcommittee Annual Report

Issue

In accordance with Board of Regents policy R565-4.6, the Regent Audit Subcommittee met with trustees and staff from all eight institutions to review the state of each institution's internal audit efforts.

Background

The Regent Audit Subcommittee met with the Commissioner; Associate Commissioner for Finance, Facilities, and Research; and the Director of Audit and Financial Services to discuss system internal audit, risk mitigation, and training efforts on March 21, 2018. Discussion topics with the Commissioner and staff included:

- OCHE efforts to identify and mitigate system-wide risk
- OCHE training provided to institution boards of trustees
- Institution ethics controls
- Internal audit work completed by OCHE staff
- OCHE coordination with institution internal audit directors and staff
- Recently completed and ongoing external audits

The Regent Audit Subcommittee also met with trustee chairs, audit committee chairs, internal audit directors, and invited institution management. Representatives from each institution presented a 10-minute summary on internal audit work completed during calendar year 2017 and on work planned for calendar year 2018, followed by a discussion led by the subcommittee. Discussion topics with institution trustees and staff included:

- Institution risk assessment process
- Audits completed during calendar year 2017
- Audits planned for calendar year 2018
- Fraud prevention and detection efforts
- Institution audit committee efforts to ensure auditor independence
- Overall impact of institution internal auditors

As part of the meetings, the Regent Audit Subcommittee met individually with institution audit committee chairs to discuss any other outstanding issues regarding the institution's internal audit function.

Commissioner's Recommendation

This is an information item only; no action is required.

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David L. Buhler  
Commissioner of Higher Education

DLB/KLH/DSP