

March 20, 2019

MEMORANDUM

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

On March 8, 2019, the Regent Audit Subcommittee met with the Commissioner; Associate Commissioner for Finance, Facilities, Research, and Planning; and the Director of Audit and Financial Services to discuss system internal audit operations, risk mitigation efforts, and the system office's outreach to institution internal auditors. Discussion topics with the Commissioner and staff included:

- Efforts to identify and mitigate system-wide risk
- Training provided to institution boards of trustees and institution auditors
- Ethics controls and allegations reporting
- Internal audit work completed in 2018 by the OCHE auditor
- System internal audit work scheduled for 2019
- System coordination with institution trustees and internal audit directors
 - Annual meeting with internal audit directors
 - Regional internal auditor training and collaboration
 - Annual auditor/controller training
 - Performance audit training
 - Annual training with auditors from USHE institutions, private in-state institutions, Wyoming, and Idaho
 - Regular information sharing emails
- Recently completed and ongoing external audits

The Regent Audit Subcommittee also met separately with each institution's trustee chair (or designee), audit committee chair (or designee), internal audit director, and invited institution management. Representatives from each institution presented a 10-minute summary on internal audit work completed during calendar year 2018 and on work planned for calendar year 2019, followed by a discussion led by the Regent Audit Subcommittee. Discussion topics with institution trustees and staff included:

- Institution risk assessment process
- Audits completed during calendar year 2018
- Audits planned for calendar year 2019
- Fraud prevention and detection efforts
- Overall impact of institution internal auditors

Following each meeting with institution representatives, the Regent Audit Subcommittee met privately with each institution's audit committee chair (or designee) 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.

David L. Buhler
Commissioner of Higher Education

DLB/KLH/DSP