

## Office of Audit Services Progress Report

### SUMMARY

The Office of Audit Services (OAS) provides a progress report to the President and the other Executive & Audit Committee members to assist with their governance and oversight responsibilities as outlined in the committee’s charter.

### REPORTS ISSUED

Report <i>Activity Risk Rating</i>	Assurance Provided Based Upon Procedures Performed
Clery Act Compliance <i>High Priority</i>	Reviewed the effectiveness of operational and administrative controls to ensure campus compliance with the <i>Clery Act</i> requirements. Strengths noted included the timely distribution of the 2016 Annual Security and Fire Safety Report, trainings conducted, timely warning and emergency notification procedures, and the implementation of a new operating procedures manual. Recommendations made to further enhance compliance efforts.
Conflict of Interest Complaint <i>Medium Priority</i>	Investigated a complaint that a university employee was allegedly involved in employment actions related to his family members that violated university policies. The OAS did not find evidence of intentional violation of the university code of ethics or OSU Policy 580-022-0055. Safeguards to manage potential conflicts were put in place.
Banner Data Change Management <i>Medium Priority</i>	Examined the change management processes for Banner, the OSU central administrative system. Strengths noted creation of audit trails for changes and monitoring of programmer activity for appropriateness. Recommendations made to further improve access, documentation and monitoring.
Athletics Compliance (contracted audit) <i>Medium Priority</i>	Conducted the annual audit of the OSU Athletics compliance function. The audit serves to reduce the risks associated with non-compliance and demonstrates a commitment to institutional control. Recommendations were made to improve the institutional controls over education, procedures and monitoring in several NCAA compliance areas. A follow-up review will be conducted in the fall.
Departmental Internal Control Assessments – College of Business & Graduate School <i>Low Priority</i>	Examined the departmental control structure within the College of Business and Graduate School. Provided an assessment of control, governance and risk management strengths and opportunities for continual improvements.
Johnson Hall Construction Closeout (contracted audit) <i>Low Priority</i>	Hired a nationally recognized construction-auditing firm, Fort Hill Associates, LLC, to perform an audit on the Johnson Hall construction project. Fort Hill noted minor cost exceptions. The OAS will complete a follow-up review of process changes in the fall.

The OAS believes actions taken to date are responsive and demonstrate a commitment to continually improving the operations.

**AUDIT PLAN PROGRESS**

Below is a listing of OAS engagements in progress.

Engagement Title	Audit Objectives
System Implementation/ Project Management <i>Planning</i>	Review control activities over IT application implementation and project management, based on leading practices, to assess whether projects deliver expected benefits, on time and on budget.
Internal Control Assessments – Athletics, Department of Public Safety <i>Fieldwork</i>	Provide an evaluation of the departmental internal control structure for Athletics and for the Department of Public Safety. The evaluation will provide leaders with assurances over control, governance, and risk management practices as well as opportunities for continual improvement.

In addition to the activities listed, the OAS is currently participating in complaint and management advisory engagements, professional organization leadership, external audit coordination, and internal quality control initiatives as outlined in the 2017 audit plan.

**RECOMMENDATION**

Staff recommends that the Executive & Audit Committee of the Board approve the May 2017 OAS progress report.