

Office of Audit, Risk and Compliance Progress Report

SUMMARY

The Oregon State University (OSU) Office of Audit, Risk and Compliance (OARC) provides a progress report to the president and the other Executive, Audit and Governance Committee (EAGC) members to assist with their governance and oversight responsibilities as outlined in the EAGC's charter.

The OARC performs independent internal audits, plans, and oversees the university enterprise risk management process and coordinates the institutional compliance program. The OARC's mission is to enhance and protect organizational value by providing risk-based and objective assurance and advice.

This report provides a highlight and status report for the audit, enterprise risk management (ERM) and compliance functions within the OARC. This includes activities that have occurred since the last EAGC meeting. The primary purpose of this progress report is to provide updates on internal audit activities. However, brief updates on compliance and enterprise risk are also included. In-depth information and updates on compliance and enterprise risk are provided annually as stand-alone reports. The progress report presentation will also include a discussion of the office's strategic plan that was developed with input from EAGC members and university leaders.

AUDIT ACTIVITIES

The following table outlines the audit reports issued and the status of engagements in process. The OARC believes management actions planned or taken are responsive and demonstrate a commitment to continually improving operations.

Audit Reports Issued and Engagements in Process

Engagement Status and Risk Rating	Audit Objective
Personal Use of Resources Complaint Investigation Concur Travel & Expense System Report <i>Issued – Medium</i>	An investigation of a complaint alleging personal use of OSU-owned equipment was completed. The unit leadership worked with University Human Resources on appropriate disciplinary action and the Controller's Unit to improve departmental expense reviews and inventory procedures.
IT – Institutional Research <i>Issued - Medium</i>	The OARC completed a review of Institutional Research (IR) to ensure practices are in place to accurately report OSU institutional research data to the federal and state government as well as other external parties. Recommendations were made to standardize and document key processes, apply data security practices and manage IR data through its lifecycle. These improvements will help to ensure IR data governance,

Engagement Status and Risk Rating	Audit Objective
	management and security practices result in accurate data that is protected from inappropriate disclosure.
Personal Use of OSU Vehicle Complaint Investigation <i>Issued - Medium</i>	An investigation of a complaint alleging the personal use of an employee's assigned university vehicle was completed. Unit leadership is working with University Human Resources on appropriate disciplinary action.
Capital Construction Audit – Arts & Education Complex: Project Control Review and Interim Monitoring of Costs <i>Fieldwork</i>	The OARC contracted with an external auditing firm on behalf of University Facilities, Infrastructure and Operations to perform an audit and advisory services for the Arts & Education Complex capital construction project. The audit is scheduled to be completed in three stages. Initial results from the first stage of the review identified minor variances in the labor rates charged to OSU that are to be recovered by management in future billings. The mid-point review is scheduled to begin in late spring 2023 and will include expenses incurred since the conclusion of the beginning stage audit.
Procurement Process Review <i>Fieldwork</i>	The OARC is conducting an audit of the procurement function. The objectives of the audit are to ascertain the effectiveness of selected internal controls for procurement requisitions and system utilization.
Internal Bank Agreed Upon Procedures Review <i>Fieldwork</i>	The OARC has contracted with our external audit firm to perform agreed-upon procedures relative to the Internal Bank reporting to the OSU Board of Trustees (Board). The objective of the review is to confirm amounts reported to the Board as part of the 2022 annual report were accurate and in accordance with university policies.
Information Technology – CCVM Distributed Computing Systems <i>Fieldwork</i>	The OARC is performing an information technology (IT) audit of the Carlson College of Veterinary Medicine's distributed computing systems. The objective of the review is to assess the IT general controls in place using the university's adopted security framework to help support data and process integrity, security and privacy.
NCAA Compliance Review <i>Planning</i>	The OARC is seeking an external consultant to provide ongoing reviews over key areas of athletics compliance. A request for proposal is currently under review.

The internal audit function is also performing ongoing management of the university hotline and fiscal complaint investigations, external audit coordination, control assessments and data analytics.

ENTERPRISE RISK MANAGEMENT ACTIVITIES

The OARC continues to facilitate the university ERM program with senior leaders and the Board. The approved 2023 ERM topics are receiving ongoing support by leadership and the Board. The OARC continues to routinely reach out to campus partners to support the prioritization of emerging risks and opportunities.

COMPLIANCE ACTIVITIES

Leadership for the quarterly Compliance Executive Committee meetings and ethics consultations continue. The main priority of the director of compliance is serving as the interim executive director of equal opportunity and access and Title IX coordinator until the position is filled later this calendar year.

STAFF RECOMMENDATION

Staff recommends that the Executive, Audit and Governance Committee accept the June 2023 OARC progress report.