

**Office of Audit, Risk and Compliance
Progress Report**

SUMMARY

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

The OARC performs independent internal audits, plans and oversees the university enterprise risk management process and oversees 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 and compliance functions within the OARC and includes activities that have occurred since the last EAC meeting.

INTERNAL AUDIT ACTIVITIES

The following table outlines the audit reports issued. The OARC believes management actions are responsive and demonstrate a commitment to continually improving operations.

❖ **Audit Reports Issued**

Engagement Status and Risk Rating	Audit Objective
<p>College of Forestry Fiscal Audit</p> <p><i>Issued – Medium Priority</i></p>	<p>Reviewed the College of Forestry's financial projections to determine whether they were materially accurate and complete. The college is developing a funding plan for the its Forest Science Complex and will account for the impact in the college's budget. Recommendations were made to document processes for developing budgets and financial projections. These improvements will help ensure financial projections are reliable, accurate and complete.</p>
<p>IT Data Integrity Review of Oregon State Management Reports (External)</p> <p><i>Issued – Medium Priority</i></p>	<p>In partnership with a contracted vendor, assessed the IT general and application controls around the quarterly fiscal management reports and projections. Reported actual and budget amounts were found to be accurate. Recommendations were made to standardize and streamline processes around budget projections, key reports and associated general IT controls to help drive consistency and strengthen controls.</p>
<p>Office of the President Internal Control Review</p> <p><i>Issued – Low Priority</i></p>	<p>Reviewed the fiscal and operational controls and practices of the Office of the President to help facilitate a successful presidential transition. Enhancements are in progress to improve the fiscal and information technology controls. These</p>

Engagement Status and Risk Rating	Audit Objective
	improvements will help further support a successful change in president.

The 2020 audit plan has been adjusted to ensure the OARC internal audit function is providing services that enhance and protect organizational value during the COVID-19 emergency. Due to the changing economic and external risks, four new areas of focus will be included in the 2020 plan:

- confirmation of controls over bank account changes;
- confirmation of internal controls for and compliance with emergency funding sources;
- analytical and transactional reviews of revenue collections and expense activities; and
- data analytic services, as needed.

The OARC has removed two audit engagements: purchasing and contracting (with an emphasis on housing and dining services) and nonresident tuition/enrollment processes. In addition, the OARC plans to postpone all planned IT audits and will reconsider the IT audit plan in the fall of 2020.

Activities relative to managing the university hotline, coordinating external audits and preparing for an external quality control review in 2021 will continue as planned.

ENTERPRISE RISK MANAGEMENT (ERM) ACTIVITIES

The OARC continues to facilitate the university ERM program with senior leaders and the Board. The original six topics highlighted in January 2020 remain relevant and are receiving ongoing support by leadership and the Board. Information security and all-hazard business continuity planning have both received increased management attention as a result of COVID-19. In addition to the swift and comprehensive actions taken by leadership to address operating needs and evaluate ongoing strategic opportunity as a result of COVID-19, the OARC continues to routinely reach out to university partners to support the prioritization of emerging risks and opportunities.

The chief audit, risk and compliance executive continues to team with the Division of Finance and Administration and other university leaders to champion a culture of informed and balanced risk decision-making in order to achieve objectives. These efforts will result in sustained improvement of training and resources.

The OARC continues to also work with the Office of Insurance and Risk Management Services to identify best practices for maturity model assessments, which will be used by the OARC in further evaluations of the risk management practices employed throughout the university.

COMPLIANCE ACTIVITIES

No changes to the 2020 compliance plan are anticipated and progress is being made on the compliance partner and project activities. Consultation, guidance and thought partnership for compliance partners continue and have shifted to address COVID-19 where necessary. Compliance partners are assessing new risks, adjusting protocols to ensure compliance with new requirements, and documenting emergency and temporary decision-making. Overall,

compliance partners continue to manage their responsibilities and have made the transition to work being conducted remotely and online.

The conflicts of interest (COI) and conflicts of commitment (COC) policy and process evaluation working group project is underway. The work will include a review of regulatory and legal requirements, updates to existing OSU policy, and the development of streamlined disclosure forms and processes. The development of routine compliance reporting for deans, and the ADA30 task force — which will encompass physical access to facilities, accommodations in the learning and working environment, and web accessibility — are both still scheduled for 2020.

Leadership for quarterly Compliance Executive Committee meetings; ethics consultations, training and outreach; policy consultation; and participation on certain compliance and risk committees also continue as planned.

STAFF RECOMMENDATION

Staff recommends that the Executive & Audit Committee approve the May 2020 OARC progress report and changes to the 2020 work plans.