

## 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, coordinates external audit activities, administers the university accountability and integrity hotline, 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, compliance, and enterprise risk management services within the OARC and includes the major activities that have occurred since the last EAC meeting.

### 2021 PROGRESS REPORT - JANUARY TO MARCH 2021

Service Area	Activities
Audit Services	<ul style="list-style-type: none"> <li>➤ Conducted follow-up on audit recommendations. All open audit recommendations due as of December 31, 2020, have been reviewed and a detailed status will be provided for the May EAC meeting.</li> <li>➤ Performed ongoing analysis and testing procedures for external fraud risk threats - vendor payments, purchasing, payroll and unemployment claims and worked with DFA to implement enhanced controls. The projects are currently in the fieldwork stage.</li> <li>➤ Provided support and coordination for current external audits:                             <ul style="list-style-type: none"> <li>▪ National Science Foundation (NSF) Incurred Cost Audit of Construction of Regional Class Research Vessels (RCRVs)</li> <li>▪ Audit resolution for September 2019 NSF Office of Inspector General Incurred Cost Audit</li> <li>▪ Assisted with the administration of the required federal single audit. Extended the external audit contract for an additional year.</li> </ul> </li> <li>➤ Managed co-sourced/out-sourced internal audits:                             <ul style="list-style-type: none"> <li>▪ Treasury and Banking Transition Audit – Fieldwork</li> </ul> </li> </ul>

Service Area	Activities
	<ul style="list-style-type: none"> <li>▪ Capital Construction audit – Cordley Hall Phase 1 – Summarizing Results</li> <li>➤ Administered the university accountability and integrity hotline and other complaints reported directly to the OARC.</li> <li>➤ Prepared for our required quality assurance review. The OARC is working to complete a self-assessment that will be validated by an external, independent evaluator. Project is currently in fieldwork stage.</li> </ul>
<p>Compliance Services</p>	<ul style="list-style-type: none"> <li>➤ Provided ongoing consultation, guidance and thought partnership for compliance partners’ projects and work. Focus areas include:               <ul style="list-style-type: none"> <li>• COVID-19</li> <li>• Research, including foreign influence and international compliance</li> <li>• Ethics, including conflict of interest</li> <li>• Data privacy and security</li> </ul> </li> <li>➤ Fulfilled ongoing functions, including CEC leadership; ethics consultation, training and outreach; policy consultation; and participation on certain compliance and risk committees.</li> </ul>
<p>Enterprise Risk Management (ERM) Services</p>	<ul style="list-style-type: none"> <li>➤ Facilitated the university ERM program with senior leaders and the Board. The top six ERM risk topics are receiving continual support by leadership and the Board. ERM is a separate agenda item at the April 2021 Board of Trustees meeting.</li> </ul>

**STAFF RECOMMENDATION**

Staff recommends that the Executive & Audit Committee approve the April 2021 OARC progress report.