AGENDA ITEM SUMMARY

NAME: Audit Committee   **DATE:** June 17, 2024

TITLE: Chief Audit Officer Annual Report

☐ Action   ☒ Review and Discussion

☐ *This item is required by policy*

PRESENTERS
Amy Jorgenson, Chief Audit Officer

PURPOSE
To review the results of Fiscal Year 2024 internal auditing activity with the committee.

BACKGROUND INFORMATION
In June 2023, the Audit Committee reviewed and approved an audit plan for fiscal year 2024. The plan consisted of ongoing activities, multi-year projects, and new projects.

Fiscal 2024 projects included:
- Customized Training Controls Audit (assurance)
- Project Risk Reviews for NextGen
- NIST Framework Implementation (advisory)
- Athletics Department Impact (advisory)
- Top 5 Follow Up from previous audits (assurance)

In March of 2024, with approval from the audit committee, we made one change to the audit plan as it was originally designed. Resources were shifted from an Employee Attraction and Retention project to do further advisory work on NIST implementation.

The system made changes and improvements in response to several internal audit projects this year and in previous years. Areas most impacted were:

- NextGen implementation
- Progress on Top 5 Security Domains
- Preparation for NIST implementation
- Transfer Procedures

- Equity 2030 Framework
- Code of Conduct/Conflict of Interest Policy and Procedures
- Customized Training

The Office of Internal Audit, along with Baker Tilly, presented our Equity 2030 Advisory Project at the ACUA (Association of College and University Auditors) national auditing conference in the fall of 2023. This presentation was well received and timely.

The office also implemented a new database to track audit findings. This allowed colleges and universities to input information about finding resolution as it happened instead of at static points during the year. As a result, we now have at-a-glance information regarding how finding resolution is progressing and can follow up immediately if we have questions.

The Office of Internal Auditing has a standing invite to attend CIO (Chief Information Officer) quarterly meetings to collaborate and discuss plans with the IT (Information Technology) community. Representatives from our office also attended and presented at CFO (Chief Financial Officer) conferences. We held one on one meetings with all CHROs (Chief Human Resources Officers) during the year to inform them of investigation procedures and will attend the CHRO conference in the fall to discuss the changes to the Code of Conduct policy and conflict of interest processes.

Starting in fiscal year 2025, the office will begin using Maxient, a tool to report allegations, to facilitate a more robust and, if so desired, anonymous, way to report complaints and allegations of code of conduct violations to the system office. This has been on the office's wish list for a long time, and it is exciting for it to finally become reality.

The office had a large number of complaints and allegations in FY 24. Our work, alongside our campus partners, substantiated about 80% of the allegations made.

Fiscal Year 2024 was full of challenging and rewarding opportunities to apply our lens of independent and objective assurance to a wide variety of topics for the system. Our audit plan for fiscal year 2025 will be even more challenging. We look forward to being of service in the coming years as well.