



June 2024

Office of Internal Auditing

Chief Audit Officer's Annual Report

MINNESOTA STATE

The Office of Internal Auditing



Internal Auditing Team



MELISSA PRIMUS
CPA, CIA
Deputy Director



AMY JORGENSON
CPA
Chief Audit Officer



CRAIG FAUTSCH
CFE, Investigator-
Audit Coordinator



DARLA CONSTABLE
Executive Assistant



MALLORY THOMAS
CPA, MBA, CIA, CITP
Baker Tilly



CHRIS JEFFREY
CPA
Baker Tilly



MIKE CULLEN
CISA, CISSP, CIPP/US
Baker Tilly



ASHLEY DEIHR
CPA, CIA, CFE
Baker Tilly



CARLA HIRSCH
CPA
Baker Tilly

Supporting managers, seniors, and staff

Local resources determined based on
project needs and skill requirements



Fiscal Year 2024 in Review

Executed Projects

- NextGen Project Risk Reviews
- Secure Network Engineering Audit
- Top 5 Security – Follow-up Audit
- NIST Framework Implementation Advisory
- Customized Contract Training Audit
- Athletics Department Impact Advisory
- Campus 1C.2 Investigations

Internal Audit Program Development

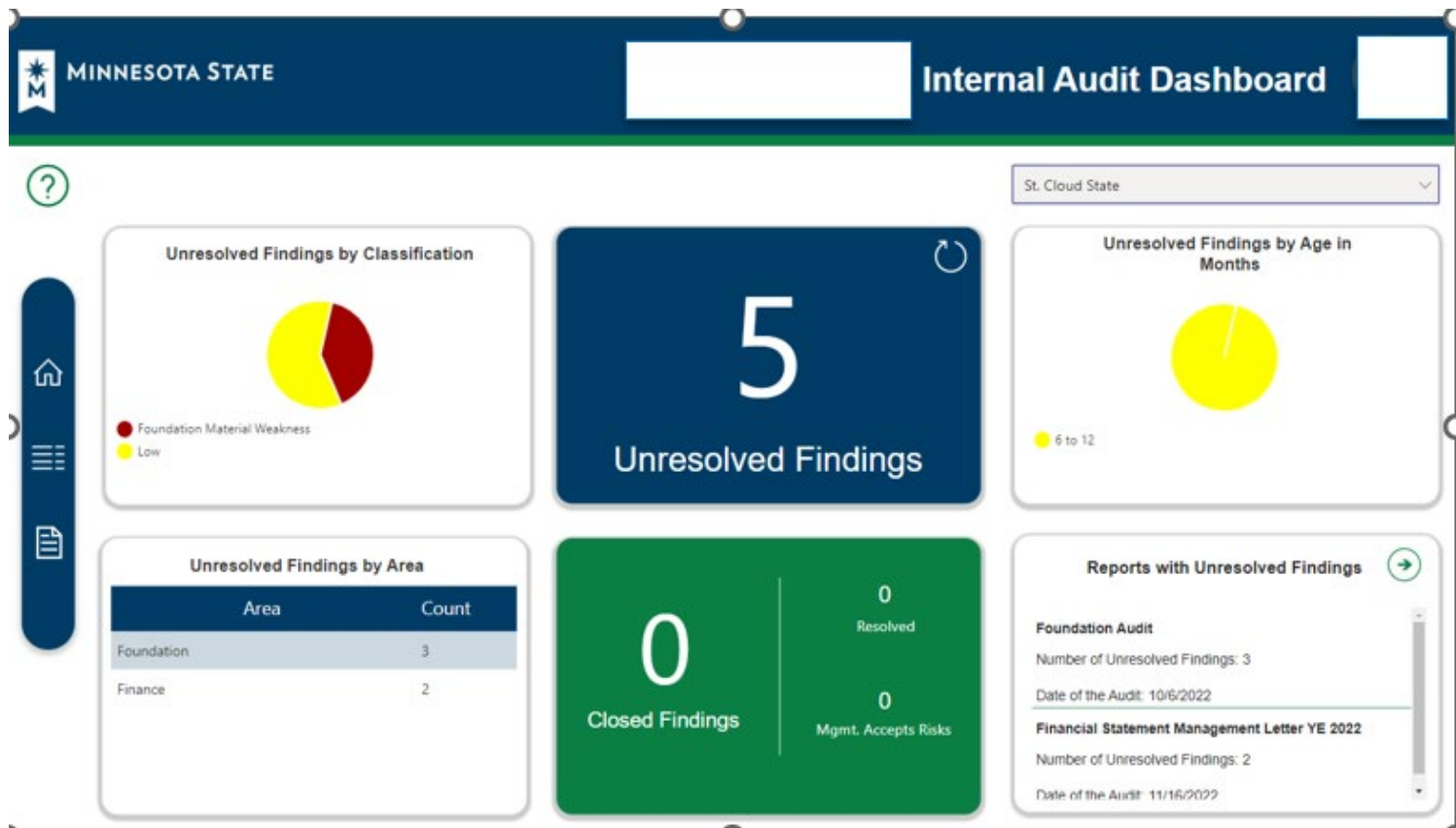
- System- and Institutional-Level Enterprise Risk Management Activities
- Workgroup revised Employee Code of Conduct, Fraud Policy, and Conflict of Interest Process
- Internal Assessment (QAIP)
- Equity 2030 advisory project audit conference presentation
- Compliance with the IIA's Global Internal Audit Standards

Internal Audit Operational Updates

- Annual Financial Statement Audits
- Federal Compliance Testing Over Student Financial Assistance and Higher Education Emergency Relief Fund Programs
- Findings Dashboard & Findings Follow-up
- Financial Aid Fraud and Identity Theft

Fiscal Year 2024 in Review – Follow-up

Rolled out a new, interactive Findings Dashboard



Fiscal Year 2024 in Review – Findings Resolution

# of Findings	
Beginning Balance	65
New Findings	116
Implemented	(71)
Risk Accepted	(12)
Remaining	98

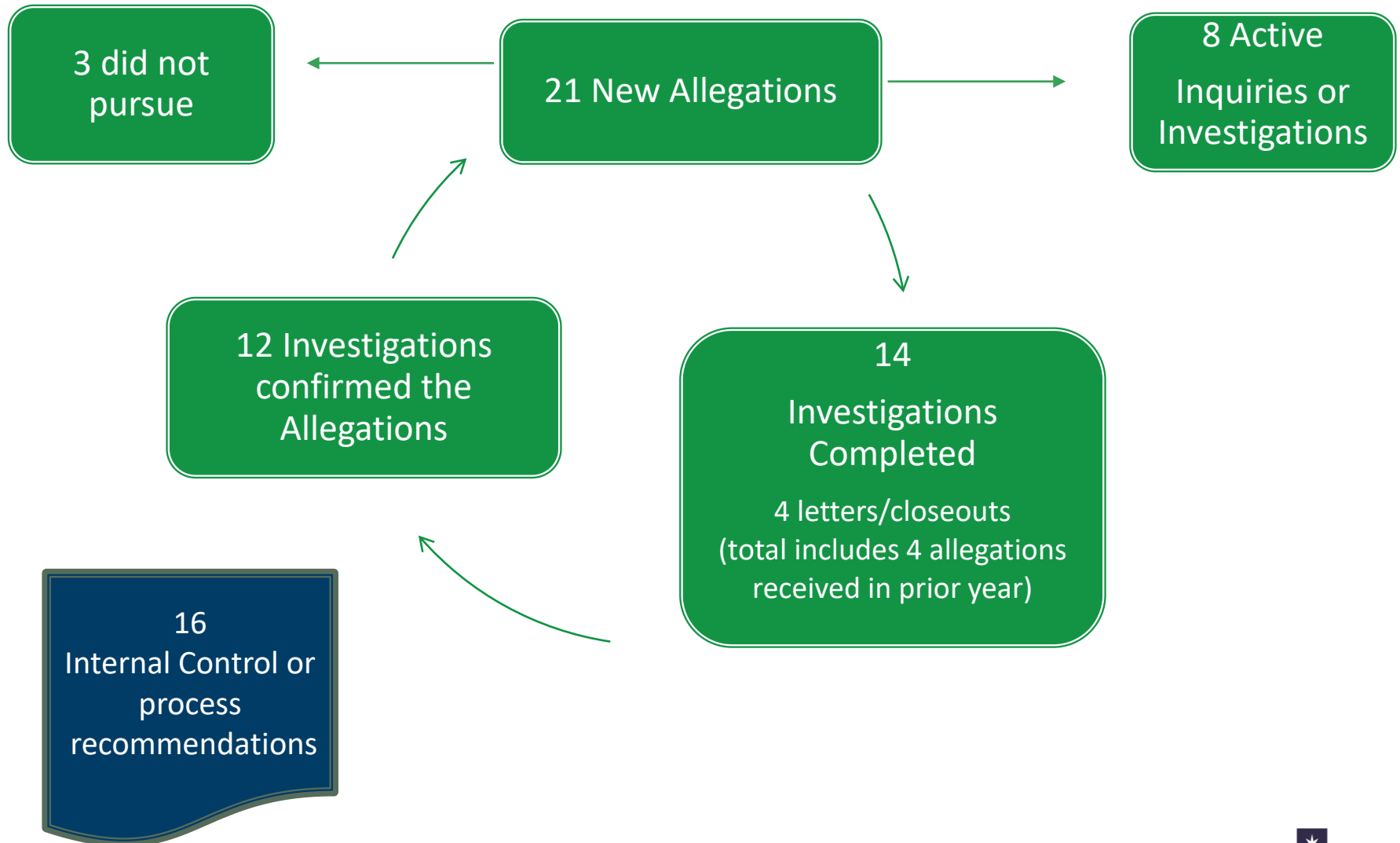
Rankings for Resolutions		
Ranking	Resolved	Risk Accepted
High	5	0
Medium	43	9
Low	23	3
Total	71	12

Findings by Area		
Area	Closed	Open
ASA	0	8
Federal Funds	3	2
Finance	57	40
Foundations	13	22
Human Resources	5	1
IT	5	25
Total	83	98

Fiscal Year 2024 in Review – Follow-up

Data Regarding Risks Accepted	
6 Institutions	
3 colleges, 1 university, 2 system office divisions	
Risk Accepted for These External Audit Findings	
2	Financial Statement management letter: system policies regarding remote work and succession planning
4	Audit of Federal Funds management letter: secondary review of transactions or reports
3	Information Technology: background checks for all employees with access to private data, stronger passwords, and formal training for developers (risk accepted due to move to Workday)
3	Foundations: segregation of duties, preparation of financial statements, audit adjustments

Fiscal Year 2024 in Review - Investigations



Fiscal Year 2024 in Review – Client Feedback

Project-based Client Feedback

- Auditing standards require feedback
- FY 2023 and 2024 projects
- Feedback from 17 surveys

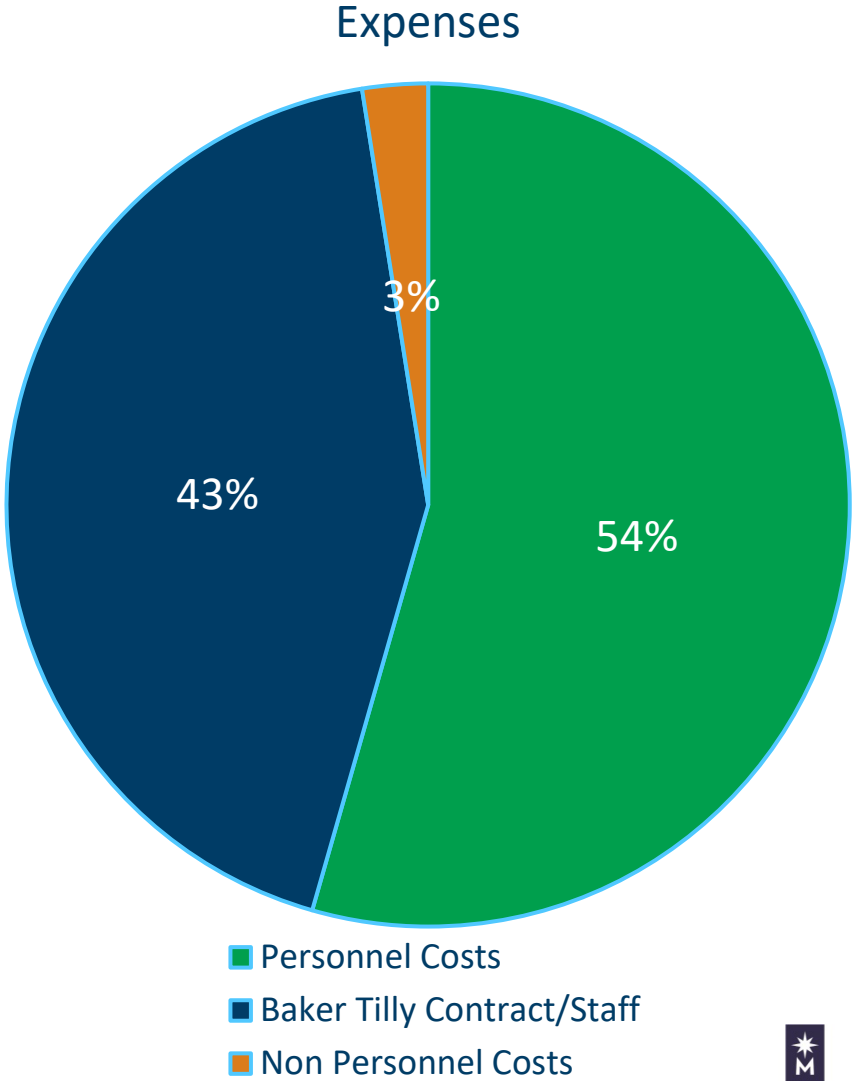
Engagement Type	Overall Project	# Responses	% Agree or Strongly Agree
Assurance or Advisory	Overall, the project added value and provided meaningful results.	10	100%
Investigative	Overall, we were satisfied with Internal Audit's assistance for the investigation.	7	85%



Internal Auditing Budget

FY25 system office expected divisional funding allocation / budget

Personnel Costs	\$758,643
Baker Tilly Contract/Staff	\$600,000
Non-Personnel Costs	\$35,000
Total	\$1,393,643



Quality Assessment Review

Fiscal year 2024 and Continuing

- Internal assessment, including an evaluation of the “Core Principles”
- New IIA Global Internal Audit Standards (Published January 2024)
 - Updated Internal Audit Manual
 - Incorporate new or revised standards

Fiscal year 2025

- Finalize multi-year strategic plan to support the dynamic nature of Minnesota State and guide the IA function
- Communicate results of internal assessment
 - Provide additional metrics regarding IA performance

Fiscal year 2026

- Quality Assurance and Improvement Program (QAIP) External Assessment



MINNESOTA STATE

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