

Agenda  
**Board of Regents**  
**Audit Committee**  
Friday, June 7, 2013; 7:30 a.m. – 9:00 a.m.  
Room 109 Butrovich Building  
University of Alaska Fairbanks  
Fairbanks, Alaska

*\*Times for meetings are subject to modifications within the June 6-7, 2013 time frame.*

**Committee Members:**

Kenneth Fisher, Committee Chair  
Timothy Brady

Michael Powers  
Patricia Jacobson, Board Chair

**I. Call to Order**

**II. Adoption of Agenda**

**MOTION**

**"The Audit Committee adopts the agenda as presented.**

- I. Call to Order**
- II. Adoption of Agenda**
- III. Executive Session**
  - A. Executive Session with the Chief Audit Executive**
- IV. New Business**
  - A. External Auditor Comments**
  - B. Mid-year Update on UA Financials**
  - C. Approval of the FY14 Annual Audit Plan**
- V. Full Board Consent Agenda**
  - A. Approval of Revisions to Regents' Policy 05.03 – Internal Audit**
- VI. Ongoing Issues**
  - A. Final Audit Reports Issued**
  - B. Internal Audit Status Report**
  - C. External Audit Status Report**
- VII. Future Agenda Items**
- VIII. Adjourn**

**This motion is effective June 7, 2013."**

**III. Executive Session**

**MOTION**

**"The Audit Committee of the Board of Regents goes into executive session at \_\_\_\_\_ Alaska Time in accordance with the provisions of AS 44.62.310 to discuss matters the immediate knowledge of which would have an adverse**

**effect on the finances of the university. The session will include members of the Board of Regents, Chief Audit Executive Pittman, General Counsel Hostina, and such other university staff members as the Audit Chair may designate and will last approximately \_\_\_\_ hour(s). This motion is effective June 7, 2013."**

*(To be announced at the conclusion of executive session:)*

The Audit Committee of the Board of Regents concluded an executive session at \_\_\_\_ a.m. Alaska Time in accordance with AS 44.62.310 discussing matters the immediate knowledge of which would have an adverse effect on the finances of the university. The session included members of the Board of Regents, Chief Audit Executive Pittman, General Counsel Hostina, and other university staff designated by the chair of the Audit Committee and lasted approximately \_\_\_\_\_.

#### **IV. New Business**

A. External Auditor Comments Reference 57

Tammy Erickson and Pam Cleaver, engagement partners from Moss Adams, will discuss planning for the annual financial audit and federal single audit with the committee.

B. Mid-year Update on UA Financials Reference 58

Dr. Roy, vice president for finance and administration, will present to the Audit Committee an update on the university's financial status. This is an information item; no action is necessary.

C. Approval of the FY14 Annual Audit Plan Reference 59

The president recommends that:

**MOTION**

**"The Board of Regents' Audit Committee approves the annual audit plan for fiscal year 2014 as presented. This motion is effective June 7, 2013."**

**POLICY CITATION**

Regents' Policy 05.03.016 states: "The director of internal audit, in conjunction with the regents' external auditors, shall annually present a complete audit plan for the university to the board's audit committee for review and approval."

RATIONALE AND RECOMMENDATION

Nichole Pittman, chief audit executive, will present to the Audit Committee for approval the annual audit plan for FY14, which is included as Reference 59.

**V. Full Board Consent Agenda**

- A. Approval of Revisions to Regents' Policy 05.03 – Internal Audit Reference 60

The president recommends that:

**MOTION**

**“The Audit Committee recommends that the Board of Regents approve revisions to Regents’ Policy 05.03 as presented. This motion is effective June 7, 2013.”**

RATIONALE AND RECOMMENDATION

Board of Regents’ Bylaw 07.G.03.j. states as one of the committee’s principal duties and responsibilities: “reviewing, as needed, the internal audit charter and audit protocols under P05.03.010 – 05.03.018 and making recommendations to the board regarding changes and enhancements.”

Revisions to this policy were made to:

Update the department name from Internal Audit to Audit and Consulting Services and the department director’s title from director to chief audit executive. The title revisions were approved at the April 2013 meeting of the Board of Regents and the next step is to update Regents’ Policy accordingly.

Align the audit charter with the Institute of Internal Auditors’ recommended charter. Key revisions include: clarifying the relationship between the department and the Audit Committee; requirements related to independence and objectivity of the department activities; explicitly including topics under the department’s scope such as requests by the Audit Committee and management; reviewing the university’s risk management processes; clarification of liaison duties with external auditors; ensuring the audit plan is risk-based; reporting deviations from the approved audit plan to senior management and the Audit Committee; the responsibility for conducting follow-up audit procedures; and the need to periodically review Regents’ Policy P05.03.

The policy revisions are shown using track changes for the proposed language changes and also as proposed final language with major additions highlighted. Nichole Pittman, chief audit executive, will answer any questions regarding the policy revisions as presented in Reference 60.

**VI. Ongoing Issues**

A. Final Audit Reports Issued

Nichole Pittman, chief audit executive, will review with the Audit Committee the final audit reports issued since the last Audit Committee meeting and answer any questions members of the committee may have. This is an information item; no action is necessary.

B. Internal Audit Status Report Reference 61

Nichole Pittman, chief audit executive, will review with the Audit Committee the Internal Audit Status Report and answer any questions members of the committee may have. This is an information item; no action is necessary.

B. External Audit Status Report References 62-63

Nichole Pittman, chief audit executive, will review with the Audit Committee the External Audit Status Report and answer any questions members of the committee may have. This is an information item; no action is necessary.

**VII. Future Agenda Items**

**VIII. Adjourn**