

Contact Person: Todd Stewart

INTERNAL AUDIT OF TRANSFORMATION AND EXCELLENCE PLAN

Action Requested: Receive the Transformation and Excellence Plan audit strategy.

Executive Summary: The FY 2006 audit plan includes an enterprise-wide initiative for Internal Audit to perform an audit of the new revenues and reallocations in conformance with the Regent's Transformation and Excellence Plan. The universities and the Board Office are working to formulate a coordinated tracking and reporting mechanism for the new revenues and reallocations. Internal Audit, in consultation with the State Auditor's Office, is designing an audit program to verify compliance with the Board's Plan. Additionally, Internal Audit will perform separate procedures on funding received from the Department of Economic Development through the Grow Iowa Values Fund and the required matching funds.

The Internal Audit Director will write a progress memorandum to share with the Board and members of the State Legislature in December, 2005. A formal comprehensive audit report will be completed in the summer/fall of 2006 after the final reports are submitted by the universities. The report will address the individual universities accountability in meeting their FY 2006 University initiatives and measures.

Analysis:

Initial audit work has been completed and an audit program has been developed which provides detailed guidance for this audit. This audit program will be shared with the State Auditor for additional input and then shared with the audit staff at each institution to ensure consistent procedures are performed. Work completed to date includes the following:

- Reviewed the details of the legislation and intent of the appropriations to fund the Transformation and Excellence Plans;
- Reviewed the detailed reallocations plans of each institution;
- Drafted a detailed audit program, including mid-year procedures and year-end procedures that will be performed;
- Tracked the budget reallocations that have occurred so far during the current fiscal year;

The audit staffs of each university will work closely together throughout the remainder of the year to complete the audit and to draft an audit report for submittal to the Board's Audit and Compliance Committee in accordance with the memorandum dated June 14, 2005, requesting this audit.