ARIZONA BOARD OF REGENTS
ARIZONA STATE UNIVERSITY
MEMORIAL UNION
301 E. ORANGE STREET
TEMPE, ARIZONA 85281

Thursday, November 4, 2021

Schedule of Meetings

9:00 a.m. – 11:00 a.m. Audit Committee Meeting – Turquoise Room
(10:05 a.m. – 11:00 a.m. - Executive Session – Alumni Room)

11:00 a.m. – 1:45 p.m. Finance, Capital and Resources Committee Meeting
(11:00 a.m. – 11:05 a.m. – Call to Order – Alumni Room
(11:05 a.m.– 12:15 p.m. – Executive Session – Alumni Room)
(12:15 p.m. – 1:00 p.m. – Break for Lunch – Gila Room)
(1:00 p.m. – 1:45 p.m. – Public Session – Turquoise Room)

2:00 p.m. – 5:00 p.m. Academic Affairs and Educational Attainment Committee Meeting
– Turquoise Room

ASU COVID-19 protocols strongly recommend that everyone on campus wear a face cover when inside a university building. Face coverings are required in certain indoor settings where physical distancing may not be possible including meeting rooms.
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ASU COVID-19 protocols strongly recommend that everyone on campus wear a face cover when inside a university building. Face coverings are required in certain indoor settings where physical distancing may not be possible including meeting rooms.

Thursday, November 4, 2021
9:00 a.m. – 11:00 a.m.

Committee Members:
Regent Ron Shoopman, Chair  Regent Bill Ridenour, Vice Chair
Regent Fred Duval  Regent Bob Herbold
Regent Rachel Kanyur  Regent Cecilia Mata
Regent Lyndel Manson (ex-officio)

9:00 a.m.  CALL TO ORDER, GREETINGS AND ANNOUNCEMENTS FROM THE COMMITTEE CHAIR

9:05 a.m.  1. Approval of Minutes

The board office asks the committee to review and approve minutes from the public session on May 27, 2021, and to approve minutes from the executive session on April 1, 2021.

9:10 a.m.  2. Auditor General Correspondence

The committee is asked to review correspondence from the Office of the Auditor General.

9:15 a.m.  Internal Audit Review Board (IARB) Chairs and Chief Audit Executives (CAE) Reports
3. ASU
4. NAU
5. UArizona
The universities have submitted written reports. IARB Chairs and CAEs will highlight activities and results since the last audit committee meeting.

9:50 a.m.  6. Proposed Revisions to ABOR Policy 3-104 "Audit Committee" Related to Enterprise Risk Management (First Reading)

The committee will be asked to review and forward to the full board for first reading proposed revisions to ABOR Policy 3-104 "Audit Committee” related to enterprise risk management.

9:55 a.m.  7. Enterprise Risk Management Report – University of Arizona

The committee will receive a report from the University of Arizona on Enterprise Risk Management.

10:05 a.m.  EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.03(A) the committee will convene in executive session for the items listed on the executive session agenda.

11:00 a.m.  ADJOURN

PLEASE NOTE: This agenda may be amended at any time prior to 24 hours before the committee meeting. Estimated starting times for the agenda items are indicated; however, discussions may commence, or action may be taken, before or after the suggested times. Any item on the agenda may be considered at any time out of order at the discretion of the committee chair. The committee may discuss, consider, or take action regarding any item on the agenda. During the meeting, the committee may convene in executive session pursuant to A.R.S. § 38-431.03(A)(3) for legal advice regarding any item on the agenda.
NOTE: This agenda may be amended at any time prior to 24 hours before the Committee meeting. Executive session is scheduled for 10:05 a.m. on Thursday, November 4, 2021. Executive session may be recessed and continued, as necessary.

A.R.S. § 38-431.03

<table>
<thead>
<tr>
<th>Statutory Authorization</th>
<th>Items to be Discussed</th>
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<td>A.R.S. § 38-431.03</td>
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I. Minutes

(A. 2) A. Review minutes of the May 27, 2021, executive session. This item includes discussion or consideration of records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law.

II. Institutional Risk

(A.1, 2, 3, 8, and 9) A. Legal advice and discussion regarding University of Arizona institutional risk areas.

III. Reviews of Assignments with the Universities’ Chief Audit Executives

(A. 1) A. ASU

(A. 1) B. NAU

(A. 1) C. UArizona

PLEASE NOTE: This agenda may be amended at any time prior to 24 hours before the committee meeting. Estimated starting times for the agenda items are indicated; however, discussions may commence before or after the suggested times. Any item on the agenda may be considered at any time out of order at the discretion of the committee chair. Pursuant to A.R.S. §38-431.03 (A)(3) the committee may convene in executive session at any time during the meeting to receive legal advice regarding any item on the agenda.
Instruction re: Confidentiality

Pursuant to A.R.S. §38-431.03(B) & (C) all are reminded that minutes of and discussions that occur in executive sessions are confidential by law and that violations of that confidentiality may subject the individuals involved to such penalties as are prescribed by law, including fines, costs, attorneys’ fees, and removal from office.
A virtual meeting of the Arizona Board of Regents Audit Committee was held on Thursday, May 27, 2021.

Members Present: Regents Ron Shoopman (chair), Bill Ridenour (vice chair), Karrin Taylor Robson, Kathryn Hackett King, Cecelia Mata and Larry Penley.

Member absent: Regent Nikhil Dave

Also present were: Regents Fred DuVal, Lyndel Manson and Anthony Rusk; from the board office: John Arnold, Jennifer Pollock, Nancy Tribbensee, Samantha Blevins, Suzanne Templin, Lorenzo Martinez, Kim Edwards, Tom Merriam, and Rick Gfeller; from Arizona State University: Christine Wilkinson, Mark Searle, Nancy Gonzales, Morgan Olsen and Lisa Grace; from Northern Arizona University: Christy Farley, Bjorn Flugstad, Michelle Parker and Mark Ruppert; from the University of Arizona: President Robert Robbins, Jon Dudas, Lisa Rulney and Sara Click; Closed Captioner: Nicole Flaherty.

Chair Shoopman declared a quorum, called the meeting to order at 3:21 p.m. and reviewed the Agenda.

APPROVAL OF MINUTES (Item 1)

The chair noted that copies of the April 1, 2021, public session minutes were provided to members in the agenda book. The November 5, 2020, executive session minutes were reviewed by members during our April 2021 executive session and no questions or changes were offered to Rick by members. The chair asked if members had questions or corrections regarding the minutes. There were none.

Upon motion by Chair Shoopman, second by Regent Mata, the committee approved the minutes from the executive session on November 5, 2020, and the public session on April 1, 2021.

Regents Shoopman, Ridenour, Taylor Robson, King, Mata and Penley voted in favor. None opposed and none abstained. Motion carried.

AUDITOR GENERAL CORRESPONDENCE (Item 2)

Rick Gfeller noted that because there were no new reports to be discussed, the auditors were not invited to the meeting. He said he had some information to pass on from the Financial Audit Director, Donna Miller, regarding upcoming audits:

- the universities’ financial and compliance audits for fiscal 2021 are starting already despite the US Office of Management and Budget extending beyond March 31,
2021, the State’s single audit deadline for the 2020 audit. So, last year's single audit has been delayed out into the future. The deadline for the 2020 audits was first extended from March 31, 2021, to June 30, 2021, then again to September 30, 2021. The pandemic is to blame. Because of that extension, the State’s June 30, 2020, single audit report is delayed and is expected to be issued at some point during the summer of 2021. Normally it’s around March. As we all know, the results of the universities federal compliance audits are reported in the State's single audit. That's the audit of the grants and contracts from the federal government that our universities have. The Auditor General and the state hopes the single audit report will be issued not too far past June 30, but they do not have a more exact date just yet. For the fiscal year 2021 financial audits, there are no new reporting or auditing standards that would have any impact on the universities' audited financial reports.

- The FY2021 Full-Time Equivalent Student Enrollment audits have begun. The announcement letters were received too late to be included in the May 27 Agenda Books, so they will be included in the books for the next committee meeting.

- The letters announcing the FY2021 financial audits are in the Agenda Book. The audits of the universities have begun and the annual financial reports are anticipated to be issued in the late October/early November timeframe, as usual.

- The timelines for the FY2020 and 2021 State of Arizona single audits are experiencing up to 6 months delays due to the pandemic. For the FY2021 single audit, the auditors will audit three areas:
  - The Research & Development cluster.
  - The Higher Education Emergency Relief COVID monies.
  - The CARES Act Coronavirus Relief Fund State monies provided to the universities by the Governor’s office for expenses incurred because of the pandemic.

- The Universities' Fee-Setting Performance Audit 36-month Follow-up Report noted all recommendations have been implemented and there is no further follow-up effort planned.

INTERNAL AUDIT REVIEW BOARDS (IARB) AND CHIEF AUDIT EXECUTIVES (CAE) REPORTS (Items 3-5)

As a preface to the IARB and CAE reports, the chair reviewed several key changes in the conduct of the committee meeting and in the Agenda Book.

The focus points for audit committee meetings are:
- Internal auditors’ progress in completing their audit plans.
- Oral presentations regarding the status of recently completed audits and related findings and recommendations.
- Oral reviews of the status of outstanding remediations.
The IARB chair and CAE for each university will jointly provide oral reports.

Key points for the CAE presentations of each audit will be:
- Key reasons for the audit
- Key risks addressed by the audit
- Findings, and
- What needs to be remediated.

As each audit is presented by the CAE, the IARB Chair will comment on what was learned from the audit and how the university will benefit or improve because of the audit.

New First-Pages have been included in the CAEs’ written reports to highlight the status of progress against the audit plans and to provide information regarding the status of outstanding remediations.

The IARB chairs and chief audit executives orally presented key points in their activity reports.

Regent Penley thanked Mr. Ruppert for conducting the shadow IT audit. He recalled back in 2015 when President Cheng really began to alter IT at NAU rather considerably by improving the security of IT and really providing additional services to faculty and staff through centralization. To see the results from the shadow IT audit is really a good thing for security at NAU. It’s also just a complement to Mark, President Cheng and to everyone who has worked so hard to achieve this result at the University.

Chair Shoopman commented that the fact that Mark conducted a shadow IT audit and didn’t find any red areas was actually quite remarkable because it is so easy for someone to set something up not using the institutional methodology.

Mr. Ruppert indicated the aging of improvement opportunities was primarily affected by three factors: Covid; employee turnover; and, implementation of a shared services model.

Chair Shoopman and Regent Manson commented on the longest outstanding remediation items and questioned the value of keeping items on the active list for such a long time and suggested consideration should be given to refreshing the audit(s) to confirm whether the remediations are still desired or otherwise determine what are realistic endpoints.

Lisa Rulney addressed UArizona’s plans to issue five of the older audits before the end of the fiscal year. Some of the FY 21 audits are being moved to FY 22 to make room for some other appropriate auditor activities related to the Covid pandemic during FY 21.
Sara Click reviewed their activities regarding their follow-up on aged improvement opportunities.

Chair Shoopman commented that this new reporting format being rolled out during this meeting that is being developed is giving the committee members an opportunity to take a new look at how long it takes to implement recommendations.

Lisa Grace reviewed ASU Audit’s progress against their audit plan and presented the results of their three recently completed audits.

Morgan Olsen commented on the vulnerability management audit and stated that the IARB has asked the chief auditor and chief information security officer (CISO) to work together and ensure appropriate progress is being made on resolving open issues.

Chair Shoopman asked Morgan Olsen about the process for taking action regarding the red coded vulnerabilities.

Dr. Olson responded they take a risk assessment approach to evaluating the urgency with which remedial actions need to be taken.

Lisa Grace commented that the open improvement opportunities are, in some cases, taking time to remediate and do not reflect a lack of management engagement.

Chair Shoopman asked Morgan Olsen whether the ASU IARB as it is constructed has the bandwidth to keep up with all the issues at the demand level that presents.

Dr. Olson responded that generally the answer is yes, given the effects of the pandemic on the University. He is happy with the functional diversity of the members of the IARB and the sharing of information that takes place.

Chair Shoopman asked Lisa Rulney and Bjorn Flugstad if they had concerns about the construct of their IARB and if they feel like they have the right people and the ability to keep up with all that Sara and her team produce?

Lisa responded in the affirmative. Their IARB members are well-prepared and really take this seriously with great conversations regarding strategic risks in support of Sara. Sara has been instructed to reach out to IARB members for assistance in driving forward the implementation of improvement opportunities in departments or functions where they don’t seem to be getting traction.

Bjorn responded that the membership of the IARB team facilitates cross functional communication and awareness. In the Spring, they instituted quarterly follow-ups for vice presidents with overall responsibility for outstanding items, so they do have that visibility to drive and close items out.
The chair said having both the CFOs and CAEs at the table together for the committee to discuss these topics is really value-added.

**REVIEW AND APPROVAL OF FISCAL YEAR 2022 ANNUAL AUDIT PLANS** (Items 6-8)

Regent Penley expressed appreciation for the different view of the audit process included in the agenda book, and asked for John Arnold to comment on the efficaciousness of our audit processes and whether he has some recommendations for some further work to do to really analyze the efficaciousness of those processes.

Mr. Arnold responded that over the last two years two major changes in the audit processes were made. First is the implementation of the IARB concept designed to marry the audit process with the management processes. Feedback from universities has been universally positive. Second is the intent for the audit committee to know what’s going on at the audit level and to get a good report and a good sense about how effective those audits have been, and that management has been implementing the improvement opportunities.

He continued that the next iteration of the audit committee is going to be around risk management. Each university has an internal risk identification process, as will be shown in the upcoming discussions with heat maps and next years’ audit plans. We are looking at carving out time during the audit committee meetings in the next year to have the university risk managers one-at-a-time in a combination of public and executive session to talk to the board about the risk areas that they see in the universities. We want to make sure that we and the universities have the appropriate processes in place to really examine and manage risk.

The CAEs and IARB chairs presented key parts of their annual audit risk assessments and resulting audit plans for FY2022.

Regent Manson expressed concern that University of Arizona may be putting more on their audit plan than might be achievable given the number of items that have been open for a long period of time.

Ms. Click described a different approach to staffing audits that she believes will make the process more efficient.

Regent Penley said he shares Regent Manson’s concerns that the plan is to aggressive in light of what’s already on their agenda. Another concern he has is the lack of an IT audit that he thinks may be important for security purposes. He cited the recently completed shadow IT audit at NAU and asked what needs to be done to really look at IT whether shadow IT or another IT security issue. He’s not asking that the auditors add more, rather that they take some things away.
Ms. Click described several IT security related projects on the FY22 plan: a general controls audit; IT audit consultation on a system development to ensure controls are embedded; and reviews of agreements with third parties providing cloud-based service.

Regent Penley thanked Sara for her presentation, but then addressed his comments to CFO Lisa Rulney and President Robbins. He noted President Robbins had made the transformation of IT an issue, and a needed one by the way, at the University. He wondered in order to advance the strategic initiative that the President has, is there some other kind of audit on IT that is really important to him that will drive the institution forward along with the strategy that he has outlined.

President Robbins said he would defer to CFO Rulney and CAE Click. The thing that he is most concerned about is the decentralization of all the servers they have around campus, but he thinks there is a methodological approach to getting at that. It may not be in this year’s plan but that’s something it’s always concerning to him.

Regent Penley said that is the very reason why he raised the shadow IT issue.

CFO Rulney said that Barry Brummund (their CIO) sits on the IARB and is a very active participant and has been working with Sara to follow-up on all the IT security audit issues from previous audits. He also worked with management to select the IT security vendor contract for this year. She feels Barry is confident in the audit plan put forward for FY22.

Chairman Shoopman reiterated his concern regarding the aggressive audit plan given the backlog of projects.

Upon motion by Regent Shoopman, second by Regent Ridenour, the committee approved the universities’ FY2022 audit plans, as presented.

Regents Shoopman, Ridenour, Taylor Robson, King, Mata and Penley voted in favor. None opposed and none abstained.

**EXECUTIVE SESSION**

Upon motion by Regent Shoopman, second by Regent Ridenour, the committee voted to convene in executive session.

Regents Shoopman, Ridenour, Taylor Robson, King, Mata and Penley voted in favor. None opposed and none abstained.

The meeting recessed at approximately 4:57 p.m.

The meeting convened in executive session at approximately 5:00 p.m.
ADJOURNMENT

The meeting adjourned at 5:12 PM.

Submitted by:

_________________________
Richard Gfeller
Chief Audit Executive
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EXECUTIVE SUMMARY

Item Name: Auditor General Correspondence

☐ Action Item

Requested Action: Board staff asks the committee to review correspondence received from the Arizona Office of the Auditor General.

Background/History of Previous Board Action
The committee receives briefings and reviews correspondence from the Arizona Office of the Auditor General on behalf of the board.

Discussion
Board staff asks the committee to review and may engage in discussion regarding correspondence received. Specifically:


The following federal programs administered by the universities were audited:

• Student Financial Assistance Cluster (ASU, NAU, UArizona)
• Education Stabilization Fund program (ASU, NAU, UArizona)
• Opioid State Targeted Response Grant Program (ASU)

The auditors anticipated not reporting any internal control deficiencies or instances of noncompliance regarding the universities.

2.B* FY2021 Full-Time Equivalent Student Enrollment Report.

This audit is required by the Arizona Revised Statutes. No reportable issues were identified by the auditors.

The documents in 2.A and 2.B were previously distributed to regents by the Auditor General and are noted here to acknowledge receipt.

*The full-text documents are incorporated by reference. The documents are available on the audit committee page for this meeting on the ABOR website at http://www.azregents.edu/board-committees/audit.

Board staff may comment regarding this Item.

Policy Requirements
Authority for the committee review of Auditor General audits and related information is provided in board Policy 3-104.

Contact Information:
Richard Gfeller 602-229-2592 Richard.Gfeller@azregents.edu
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Item Name: ASU Internal Audit Review Board (IARB) Chair and Chief Audit Executive (CAE) Reports

Requested Action: Board staff asks the committee to review written reports from the Arizona State University IARB Chair and the Chief Audit Executive. The committee may provide direction to staff.

Background
Since the audit committee is responsible for the system-wide audit function and for fostering a strong internal control environment, knowledge of both internal and external audit-related activity is necessary.

Discussion
The IARB Chair’s report and the CAE’s report are provided. The committee will receive oral summaries regarding their respective activities.

3.A ASU IARB Chair Report and ASU CAE Report

0 RED Controls; 1 YELLOW Control; 6 GREEN Controls

3.C* ASU NCAA Compliance Audit Report dtd 2021-08-31
0 RED Controls; 0 YELLOW Controls; 6 GREEN Controls

*The full-text documents are incorporated by reference. The documents are available on the audit committee page for this meeting on the ABOR website at http://www.azregents.edu/board-committees/audit.

Statutory/Policy Requirements
Authority for the committee review of internal and external audit activities and related information is provided in board Policy 3-104.

Contact Information:
Lisa Grace (480) 965-5511 lisa.grace.2@asu.edu
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During FY 2022, ASU’s Internal Audit Review Board (IARB) has met one time (10/7/2021). Key activities are summarized below.

IARB members include the following:

**FY 2022 Annual Audit Plan:** The status of the FY2022 Audit Plan was discussed in addition to the outstanding items from the FY2021 Audit Plan. The following changes to the plan were approved:

<table>
<thead>
<tr>
<th>Audit Project</th>
<th>Remove</th>
<th>Add</th>
<th>Change</th>
<th>Justification</th>
<th>Date of Change</th>
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<tbody>
<tr>
<td>FY2021 Title IX</td>
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<td>X</td>
<td>Audit was performed as an advisory review rather than as an assurance review due to the recent regulation change as of 08/2020. The review was still performed addressing the majority of the planned scope; however was limited as a result of there being no cases going through the grievance process at the time of the review.</td>
<td>10/7/2021</td>
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**Review of Completed Projects:**

All University Audit reports issued since the last meeting were reviewed by the IARB. The IARB meeting was leveraged to discuss the risks identified in specific projects as they relate to the overall control environment for the university.

**Issue Management Program:**

A formal Issue Management Program is in place. This program ensures that all issues noted through internal audits are tracked from identification through resolution to ensure timely and adequate remediation of identified deficiencies. Metrics are included in the standard reporting for both the IARB and the ABOR Audit Committee.

**Other Activities:**

Annual Quality Assurance and Improvement Program metrics were reviewed including Client Survey results. This continues to be an area of ongoing focus for the audit department.

At each meeting, the Ethics and Compliance Hotline metrics were reviewed and discussed. Year to date, there have been no cases of university fraud identified through the hotline.
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## Audit Plan Status

### FYE 06/30/2022 Audit Plan Status as of 11/4/2021

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Planning in Progress</th>
<th>Fieldwork in Process</th>
<th>Writing Report</th>
<th>Issued Report</th>
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<tr>
<td><strong>Assurance Projects:</strong></td>
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<td>FY2021 Benefits</td>
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<td>FY2021 SDA Compliance</td>
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<td>FY2021 Asset Management</td>
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<td>Coaching Contracts</td>
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<td>Student Employment</td>
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<td>Strategic Partnership - Hye Tech</td>
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<td>Grants/Contracts</td>
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<td>NCAA Camps and Clinics</td>
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<td>Contracting</td>
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<td>Workday RPA</td>
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<td>Wireless</td>
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<td>Vulnerability Management</td>
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<td><strong>Other Projects:</strong></td>
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<tr>
<td>FY2021 Title IX - Advisory</td>
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<td>FY2021 Emergency Response/Planning - Advisory</td>
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<td>FY2021 Software Licensing - Advisory</td>
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<td>Thunderbird Business Review – Advisory</td>
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<td>HIPAA Privacy – Advisory</td>
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<td>Physical Security – Advisory</td>
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<td>Endpoint Management - Advisory</td>
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<td>FY2021 Q4 Remediation Report</td>
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<td>Q1 Remediation Report</td>
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<td>Q4 Remediation Report</td>
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### Comments:
- One open position as of 9/20/2021 - Actively recruiting
- One position on extended leave most of FY2022 Q1
**Outstanding Improvement Opportunities**

**Outstanding Significant Improvement Opportunities**

**Days Open**

**As of 10/21/2021**

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<th>Audit Project and Improvement Opportunity</th>
<th>Days Open</th>
<th>Anticipated Implementation</th>
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<tbody>
<tr>
<td>04/26/2021 SDA ITGC - Default Administrator Access</td>
<td>170-514</td>
<td>09/30/2022</td>
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<tr>
<td>04/04/2021 Vulnerability Mgmt - Reporting</td>
<td>200-360</td>
<td>03/31/2022</td>
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<td>04/04/2021 Vulnerability Mgmt - Vulnerability Ownership</td>
<td>200-453</td>
<td>07/01/2022</td>
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<td>05/04/2018 Lab Safety - Chemical Inventory</td>
<td>952-1256</td>
<td>12/30/2020</td>
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**Comments:**

- Audit continuing to track implementation actions.

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**Improvement Opportunity Activity**

**As of 10/21/2021**

<table>
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<tr>
<th>Beginning Balance</th>
<th>Improvement Opportunity Added</th>
<th>Improvement Opportunity Closed</th>
<th>Ending Balance</th>
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<td>4/1/2021</td>
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<td>5/27/2021</td>
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**All Open Improvement Opportunities**

- 1-90
- 91-180
- 181-270
- 271-360
- 360+

- 1
- 15
- 9
- 2
- 23

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EXECUTIVE SUMMARY

Item Name: Northern Arizona University  
Internal Audit Review Board (IARB) Chair and 
Chief Audit Executive (CAE) Reports

☑ Action Item

Requested Action: Board staff asks the committee to review written reports from the Northern Arizona University IARB Chair and the CAE. The committee may provide direction to staff.

Background
Since the audit committee is responsible for the system-wide audit function and for fostering a strong internal control environment, knowledge of both internal and external audit-related activity is necessary.

Discussion
The IARB Chair’s report and the CAE’s report are provided. The committee will receive oral summaries regarding their respective activities and will be requested to approve NAU’s restructured IARB as required by the NAU IARB Charter.

4.A NAU IARB Chair Report and NAU CAE Report

Internal Auditor Reports

4.B* NAU IT Security: Internet Domain and Email Management Audit Report dtd 2021-08-19
0 RED Controls; 9 YELLOW Controls; 6 GREEN Controls

0 RED Controls; 9 YELLOW Controls; 6 GREEN Controls

External Auditor Reports

No deficiencies or action items were reported.

4.E* NAU – Northern Arizona Capital Facilities Corporation (NACFFC) and Subsidiaries FY2020 Audited Financial Statements dtd 2021-01-13
No deficiencies or action items were reported.

No deficiencies or action items were reported.

Contact Information:
Bjorn Flugstad (928) 523-4240 Bjorn.Flugstad@nau.edu
Mark Ruppert (928) 523-6438 Mark.Ruppert@nau.edu
*The full-text documents are incorporated by reference. The documents are available on the audit committee page for this meeting on the ABOR website at http://www.azregents.edu/board-committees/audit.

**Statutory/Policy Requirements**
Authority for the committee review of internal and external audit activities and related information is provided in board Policy 3-104.
IARB Membership Changes
Since the May 2021 ABOR Audit Committee meeting, NAU has restructured its IARB. In the past, the IARB was handled through the addition of IARB matters to the President’s Executive Team meeting agendas. NAU established a separate IARB to improve focus on matters requiring IARB review and ensure IARB matters are timely addressed, regardless of the pressures that may be placed on Executive Team meeting agendas. NAU’s new IARB includes the following individuals:

- Bjorn Flugstad, Chief Financial Officer and IARB Chair
- Karen Pugliese, Provost
- Steven Burrell, Chief Information Officer
- Josh Mackey, Chief Human Resources Officer
- Anika Olsen, Vice President, Enrollment Management
- Jason Wilder, Vice President, Research
- Dan Okoli, Vice President, Capital Planning and Campus Operations

IARB Meetings
NAU had one formal IARB meeting since the May 27, 2021 Audit Committee meeting where the items outlined below were covered including specific audit reports and the status of other items. This was also the first meeting using the new IARB structure noted above. Improvement opportunities identified in previous audit reports are being implemented within reasonable proposed timelines to improve existing business processes including those deemed as needing significant improvement. Status of related solution implementation is reviewed quarterly by the IARB as well issuing quarterly reminders of outstanding items to each VP to drive completion; eleven outstanding solutions have been implemented since the last Audit Committee meeting.

- October 4, 2021:
  - IARB Charter Review / Review of IARB Role and Responsibilities
  - Financial Aid Audit Report dated July 19, 2021
  - IT Security: Internet Domain and Email Management Audit Report dated August 19, 2021
  - FY2021 Fourth Quarter Follow-up Audit Results:
    - Eleven solutions implemented since the previous Audit Committee meeting
    - Discussion of improvement opportunity aging, including proactive and reactive approaches to improving implementation turn around

Audit Plan
The Fiscal Year 2021 Internal Audit Plan was essentially back on track for 100% completion by the end of May 2021 following the May 2021 ABOR Audit Committee update, with anticipated carryover limited to the first quarter of fiscal year 2022. However, both senior internal auditors left Internal Audit in July 2021 to pursue positions in the NAU Franke College of Business. While this is an excellent transition of control-oriented individuals into other key NAU positions, it limited the completion of planned audit work. One of the vacancies has now been filled with a senior internal auditor who started on October 4, 2021, and recruiting efforts continue to address the remaining vacancy.

The Fiscal Year 2022 Internal Audit Plan will be reevaluated in conjunction with the onboarding of this position and in conjunction with the ongoing benefit that the NAU Internal Audit student internship program may prove to offer. The NAU Internal Audit internship program is a class-credit based internship started Spring 2021 in collaboration with the NAU Franke College of Business. The current intern has already demonstrated value and is expected to have a positive impact on moving some of the FY21 and FY22 internal audit projects forward.
Enterprise Risk Management (ERM)

Enterprise Risk Management continues to mature at the overall University-wide level, with a current focus on addressing risks versus current issues and consideration for the development of formal risk appetite statements. NAU is also working on updating its Strategic Roadmap at the direction of Dr. Cruz Riverà and the ERM risk inventory will be updated as necessary to ensure linkage of risk statements to NAU’s updated strategic objectives.

The results of the Compliance Risk Assessment will be presented at the next ABOR Audit Committee meeting and will be reviewed by key leadership personnel as a new data set to inform the ERM process. As ABOR guidance and expectations are finalized, NAU will align and adjust its ERM focus and required university reporting as necessary to support that guidance.
Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Northern Arizona University

For its Comprehensive Annual Financial Report For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill
Executive Director/CEO
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Audit Plan Status

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Planning in Progress</th>
<th>Fieldwork in Process</th>
<th>Writing Report</th>
<th>Issued Report</th>
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<tr>
<td>Assurance Projects:</td>
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<td>Athletics Performance Center Construction Audit</td>
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<td>Facilities Costs &amp; Billings Audit</td>
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<td>Student Accounts Audit</td>
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<td>IT Security Audit</td>
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<tr>
<td>Research Indirect Costs / Facilities &amp; Administrative (F&amp;A) Rates Audit</td>
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<td>Data Integrity - Consulting</td>
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<td>Business Process Efficiency - Consulting</td>
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<tr>
<td>Fraud Risk Assessment (FRA) - Consulting</td>
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<td>Audit Follow-Up: First Quarter</td>
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<td>Audit Follow-Up: Second Quarter</td>
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<td>Audit Follow-Up: Third Quarter</td>
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<td>Audit Follow-Up: Fourth Quarter</td>
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<td>Other Projects:</td>
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<td>Enterprise Risk Management</td>
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<td>Tuition Waiver Policy, Process &amp; Practice</td>
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</table>

COMMENTS:

NAU’s two senior internal auditors took positions in the NAU College of Business in July 2021. As a result of this turnover and efforts focused on closing FY2021 Internal Audit Plan projects, progress is lagging on the FY2022 Internal Audit Plan projects. As of October 4, 2021, one senior internal auditor has been hired and recruiting efforts remain in progress for the other position.
Outstanding Improvement Opportunities

**Outstanding Significant Improvement Opportunities**

Days Open
As of 10/21/2021

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Days Open</th>
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<tbody>
<tr>
<td>10/02/20 IT Access Management - Physical Access / Lenel System Mgmt</td>
<td>394 90 12/31/2020</td>
</tr>
<tr>
<td>06/15/20 FY19 Export Control Compliance - Export Control Responsibility</td>
<td>503 76 8/30/2020</td>
</tr>
<tr>
<td>07/11/19 Foreign Travel Monitoring Process - Travel Registration Process</td>
<td>630 539 12/31/2020</td>
</tr>
</tbody>
</table>

**Comments:**

Progress on both the Lenel system access and export control responsibility improvements has been noted and additional effort is in progress to complete each. The actual Lenel system access issues have been identified as corrected but IT management is still finalizing the related policy and procedure changes, which are on track for implementation before the end of this calendar year. The Export Control oversight changes are pending the impact of various leadership changes, including the NAU President and an interim Vice President of Research; a specific new target implementation date will be set once applicable leaders are brought up to date on the challenges and the existing or a new approach is determined. The Travel registration process was implemented as of April 1, 2021, and IA awaited sufficient transactional data to accumulate prior to validating the implementation.
Internal Audit Organization as of October 21, 2021

- **NAU President**
  - Dr. Cruz Riverá

- **NAU Chief Financial Officer**
  - Bjorn Flugstad

- **NAU Chief Audit Executive**
  - Mark P Ruppert
    - CPA, CIA, CISA

- **NAU Senior Internal Auditor**
  - Maryia Madala
    - CIA

- **NAU Senior Internal Auditor**
  - VACANT

- **NAU Audit Intern**
  - Colin Jones

- **ABOR Audit Committee Chair**
  - Ron Shoopman

- **NAU Internal Audit Review Board**
  - Bjorn Flugstad, Chair
EXECUTIVE SUMMARY

Item Name: University of Arizona
Internal Audit Review Board (IARB) Chair and
Chief Audit Executive (CAE) Reports

☐ Action Item

Requested Action: Board staff asks the committee to review written reports from the University of Arizona IARB Chair and the Chief Audit Executive. The committee may provide direction to staff.

Background
Since the audit committee is responsible for the system-wide audit function and for fostering a strong internal control environment, knowledge of both internal and external audit-related activity is necessary.

Discussion
The IARB Chair’s report and the CAE’s report are provided. The committee will receive oral summaries regarding their respective activities.

5.A UArizona IARB Chair Report and CAE Report

Internal Auditor Reports

5.B* UArizona University Rights Agreement Audit Report dtd 2021-09-30
0 RED Controls; 4 YELLOW Controls; 10 GREEN Controls

5.C* UArizona NIKE Sponsorship Agreement Compliance Audit Report dtd 2021-09-30
The Agreement benefitted UArizona in that Nike provided product to the university, which resulted in institutional cost savings; however, the university was unable to support the fulfilment of several Agreement provisions.

2 RED Controls; 4 YELLOW Controls; 3 GREEN Controls

<table>
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<tr>
<th>General Control Standard</th>
<th>Control Tested</th>
<th>Control Rating</th>
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</thead>
<tbody>
<tr>
<td>Effectiveness and Efficiency of Operations</td>
<td>Procedures were in place to accurately track and verify that the sponsor benefits listed in the agreement were provided.</td>
<td>Significant Opportunity for Improvement</td>
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<tr>
<td>Compliance with Laws and Regulations</td>
<td>NIKE annual labor basis reports were being obtained and reviewed.</td>
<td>Significant Opportunity for Improvement</td>
</tr>
</tbody>
</table>

Contact Information:
Lisa Rulney               (520) 621-5977       lisa.rulney@arizona.edu
Sara Click                 (520) 626-4155       clicks@arizona.edu
EXECUTIVE SUMMARY

5.D* UArizona NIKE Trademark License Agreement Compliance Audit Report
dtd 2021-09-30

The Agreement benefitted UArizona in that Nike provided royalty revenues in exchange for UArizona trademark usage; however, UArizona risks underpayment, absent proper reconciliation.

<table>
<thead>
<tr>
<th>General Control Standard</th>
<th>Control Tested</th>
<th>Control Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability and Integrity of Financial and Operational Information</td>
<td>Correct royalty rates were used in royalty payment calculations.</td>
<td>Significant Opportunity for Improvement</td>
</tr>
</tbody>
</table>

5.E* UArizona Health Sciences Innovation Building Construction Contract Audit Report
dtd 2021-09-30

0 RED Controls; 1 YELLOW Control; 9 GREEN Controls

External Auditor Reports

5.F* UArizona Department of Navy, Office of Naval Research, Virtual On-site Property Management System Analysis Audit Report dtd 2021-06-09

No significant findings were identified.

5.G* UArizona Our Family Services Monitoring Results for YHDP Youth Care Grant Letter dtd 2021-06-15

No findings were identified.


No findings were identified.

5.I* UArizona Patient-Centered Outcomes Research Institute Financial Compliance Review Letter dtd 2021-07-08

No findings were identified.


No findings were identified.

5.K* UArizona Department of Economic Security Maricopa County SNAP-Ed Audit Report dtd 2021-08-17

No findings were identified.

5.L* UArizona Federal Emergency Management Agency Financial Monitoring Review Results Letter dtd 2021-09-02

No findings were identified.
* The full-text documents are incorporated by reference. The documents are available on the audit committee page for this meeting on the ABOR website at http://www.azregents.edu/board-committees/audit.

Statutory/Policy Requirements
Authority for the committee review of internal and external audit activities and related information is provided in board Policy 3-104.
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Internal Audit Review Board All Meetings

UArizona held one Internal Audit Review Board (IARB) meeting since the May 2021 Audit Committee meeting. The IARB met on October 4, 2021. Six voting members and one ex-officio member was present.

- **Status of FY22 Annual Audit Plan:** The Chief Auditor discussed the status of the approved plan and commented that four internal audit reports were issued since the last meeting. Additionally, the Chief Auditor explained that the Internal Audit team’s focus prioritized completing more of the current audit projects and then work to complete the older audit projects. The IARB members approved this prioritization.

- **Review of Issued Internal Audit Reports:** Four internal audit reports were provided. Discussion occurred as to the role of Marketing & Communications (MARCOM) during two audits; the Chief Auditor affirmed MARCOM’s role in one audit and provided the management response for one of the identified improvement opportunities.

- **Review of Issued External Audit Reports/Letters:** Seven institution-specific external audit reports/letters were provided; there were no findings. The Chief Auditor explained that five others were completed for which no report was issued. Additionally, members were provided with the OAG Performance Audit on University-Affiliated Organizations and the OAG Sunset Review of ABOR. While the OAG recommendations were directed to ABOR, implementation will involve the university; the ex-officio member provided further clarification.

- **Review of Audit Follow-up Results:** Members were updated regarding audit follow-up results. As of the May meeting, there were 19 open improvement opportunities. Since then, nine have been implemented (including two significant (“red”) opportunities) and 14 were added, bringing the total to 24 open improvement opportunities. The CIO mentioned a reporting change for one of the units and offered to assist with the improvement opportunity status updates. The Chief Auditor described the new reporting format that will be provided to the Audit Committee at the next meeting in which items are reported as open from the original report issue date; 10 improvement opportunities will be reported as 360+ days open. The ex-officio member provided clarification regarding the new reporting format.

**Internal Audit Review Board Membership**

At UArizona, specific positions have been identified for membership on the Internal Audit Review Board (IARB); therefore, the individuals serving in those positions are members of the IARB. The following positions, and their incumbents, currently serve as members of the IARB.

**Senior Vice President for Business Affairs and Chief Financial Officer – Chair**
Lisa Rulney

**Senior Vice President for Academic Affairs and Provost**
Liesl Folks

**Senior Vice President for Health Sciences**
Michael Dake

**Senior Vice President for Research and Innovation**
Elizabeth “Betsy” Cantwell

**Assistant Vice President, Comptroller**
Stacey Lemos

**Vice President for University Planning and Chief Information Officer**
Barry Brummund

**Chair of the UArizona Faculty**
Jessica Summers
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## Audit Plan Status

**FYE 06/30/2022 Audit Plan Status as of 10/21/2021**

<table>
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<tr>
<th>Project Description</th>
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<th>Fieldwork in Process</th>
<th>Writing Report</th>
<th>Issued Report</th>
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<td><strong>Assurance Projects:</strong></td>
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<tr>
<td>FY15 Unplanned Audit: CALS Food Product &amp; Safety Laboratory: Review of Controls</td>
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<td>FY16 IT General Controls Review - Facilities Management</td>
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<td>FY16 Cloud-Based Third Party Provider Amazon Web Services</td>
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<td>FY18 Contract Management: University Rights Agreement</td>
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<td>FY18 Contract Management: Comprehensive Beverage Service Agreement</td>
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<td>FY19 Contract Management: UAF Development Services and Asset Management Agreement</td>
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<td>FY20: Construction Contract: Health Sciences Innovation Building</td>
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<td>FY20: Contract Management: NIKE Sponsorship Agreement</td>
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<td>FY20: Contract Management: NIKE Trademark License Agreement</td>
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<td>FY20: Business Process: Travel-Related Expenses/Reimbursements</td>
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<td>FY20: Construction Contract: Building 90 Deferred Maintenance</td>
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<td>FY20: Construction Contract: Hillenbrand Aquatic Center Improvements</td>
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<td>FY20: IT Security: Security Awareness Training</td>
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<td>FY20: Process Review: Conflict of Commitment/Conflict of Interest</td>
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<td>FY20: Process Review: Student Admissions</td>
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<td>FY21 Construction Contract: Arizona Stadium Renovations</td>
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<td>FY21 IT Security: Vendor Management, Oracle Agreement</td>
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<td>FY21 Business Process Review: Senior Administration Accounts</td>
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<td>FY21 Construction Contract: University of Arizona Health Sciences Building 201 Renovations</td>
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<td>FY21 IT Security: General Controls Review - Decentralized Unit, College of Science</td>
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<td>FY22 Business Practices: Campus Health and Wellness</td>
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<td>FY22 Business Practices: College of Law</td>
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<td>FY22 Business Process: Mandatory Fees</td>
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<td>FY22 Construction Contract: Steward Observatory Renovation</td>
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<td>FY22 Contract Management: Agreement Between Owner and Development Manager for Development of Surface and Garage Parking Facilities and Wellness Center</td>
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<td>FY22 IT Security: Vendor Management, Student Admissions Cloud-Based Providers</td>
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<td>FY22 Advisory Service: Financial System Modernization Project</td>
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<td>Audit Follow-up: First Quarter</td>
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<td>Audit Follow-up: Second Quarter</td>
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<td>Audit Follow-up: Fourth Quarter</td>
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Outstanding Improvement Opportunities

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<tr>
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<th>Beginning Balance</th>
<th>Remediations Added</th>
<th>Remediations Completed</th>
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<td>9/30/21 NIKE Trademark License Agreement - Payment Reconciliation</td>
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Comments:

- Audit is continuing to track implementation of outstanding improvement opportunities.
Item Name: Proposed Revisions to ABOR Policy 3-104 “Audit Committee” Related to Enterprise Risk Management (First Reading)

Action Item

Requested Action: The board office asks the committee to review and forward to the full board for first reading proposed revisions to ABOR Policy 3-104 “Audit Committee” related to enterprise risk management.

Background/History of Previous Board Action

- The Arizona Board of Regents (ABOR) governance structure reflects a delegated model where university presidents are delegated significant administrative, management, and operational responsibilities.

- To meet its fiduciary responsibility, the board has implemented various structural and reporting requirements that align with State and Federal law and financial regulations and ensure the board, presidents and board office function as a coordinated enterprise. These policies, practices and processes are continuously reviewed and revised to ensure the enterprise evolves to meet the board’s promise to Arizona: “Increase postsecondary access and attainment for Arizona students; to seek solutions to societal challenges; and to do both while increasing quality, affordability and efficiency.”

- Throughout the governance structure, policies, processes, and activities conducted by the board, there is an inherent element of enterprise risk management.

Discussion

- A finding from the sunset audit of ABOR conducted by the Arizona Auditor General recommended that the board develop a process for regularly reviewing significant risks identified by the universities, including plans for mitigating or minimizing significant risks.

- While not formally identified as Enterprise Risk Management (ERM), risk assessment review and discussion are inherent in the activities of the board and its interactions with the universities under its jurisdiction.

- In order to have dedicated discussion on ERM, revised board policy is being proposed to have each university present annually to the ABOR Audit Committee on how the university organizes around and manages enterprise risk, as well as identified areas of risk and processes to monitor and mitigate risk.

Contact Information:
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A. The Arizona Board of Regents Audit Committee assists the board in its oversight of financial reporting, internal controls and compliance, risk assessments, and internal and external audits. In discharging this responsibility, the committee will:

1. Establish the powers and duties of the universities' internal audit review boards through approved charters and periodically review, revise and re-approve those charters;

2. Request information as necessary to fulfill its oversight responsibilities;

3. Recommend that the board or universities retain independent counsel, accountants or consultants as necessary to assist in fulfilling the committee’s oversight responsibilities;

4. Review the use of outside accountants, consultants or others retained by the board or universities to assist in conducting audits, reviews or special investigations; and

5. Assign tasks to subcommittees, as needed.

B. The committee relies on the expertise and knowledge of university and board management, the internal auditors and consultants, and the auditor general in carrying out its oversight responsibilities. The committee has the authority outlined below and may make recommendations to the full board regarding any of these areas if additional action is deemed necessary.

1. **Financial Statements.** The committee will:

   a. Review financial statements, and the committee may request information regarding any underlying estimates, assumptions and analysis, significant accounting and reporting issues, complex or unusual transactions and highly judgmental areas, and related professional and regulatory initiatives;

   b. Review audits and corrective actions; and

   c. Review annual audited financial statements, including audited financial statements from component unit affiliates.
as described in the guidelines governing the relationships between component unit affiliates and universities under the jurisdiction of the Arizona Board of Regents.

2. **Risk and Internal Controls.** The committee will:
   
a. Review board and university policies with respect to risk assessment and risk management;

b. **HAVE THE CHIEF RISK OFFICER, OR EQUIVALENT POSITION, OF EACH UNIVERSITY PRESENT ANNUALLY TO THE COMMITTEE. THE PRESENTATION SHALL INCLUDE:**
   
i. **A DESCRIPTION OF THE PROCESSES USED BY THE UNIVERSITY TO ORGANIZE AND MANAGE ENTERPRISE RISK, ASSIGN RESPONSIBILITY FOR RISK AREAS, MONITOR AND MITIGATE OR REMEDY RISK AREAS;**

ii. **AREAS OF RISK THAT HAVE BEEN IDENTIFIED FOR THE PAST YEAR AND CURRENT YEAR; AND**

iii. **UNIVERSITY LEADERSHIP INVOLVEMENT AND ACTIONS RELATED TO RISK AREAS.**

b. Review the effectiveness of the internal control environments for the board and the universities;

c. Review internal controls over financial reporting and receive reports on significant findings, recommendations and management responses.

3. **INTERNAL CONTROLS. THE COMMITTEE WILL:**

a. **REVIEW THE EFFECTIVENESS OF THE INTERNAL CONTROL ENVIRONMENTS FOR THE BOARD AND THE UNIVERSITIES;**

b. **REVIEW INTERNAL CONTROLS OVER FINANCIAL REPORTING AND RECEIVE REPORTS ON SIGNIFICANT FINDINGS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES.**
4.3. **Internal Audit.** The committee will:

a. Review the appointment, replacement or dismissal of chief audit executives;

b. Review the functional and administrative reporting relationships of the audit offices to protect independence;

c. Review with the chief audit executives and chairs of the internal audit review boards the audit offices’ charters, plans, activities, staffing and organizational structure of the internal audit functions;

d. Review and approve the internal audit offices’ annual reports on internal audit and annual audit plans as supported by the independent risk assessment processes and discuss overall results with the chief audit executives and the internal audit review boards’ chairs;

e. Receive from the audit offices final internal audit reports and periodic progress reports on the approved audit plans;

f. Discuss with the internal audit review board chairs, presidents and executive director of the board any limitations on auditor’s objectivity and independence, any difficulties encountered or scope restrictions, and facilitate unrestricted access to information within the scope of audits and auditors’ duties;

h. Provide feedback to the internal audit review board chairs, presidents and executive director of the board on the quality and adequacy of audit coverage provided;

i. Review disagreements between internal auditors and management regarding audit findings and recommendations; and
j. Meet in executive session with each chief audit executive at least annually to discuss issues related to the audit function. Either the committee or the chief audit executive may request additional meetings. The committee may also meet with others in executive session as necessary to fulfill its responsibility.

5.4. **External Audit.** The committee will:

a. Review the auditor general’s proposed audit scope and approach, including appropriate coordination of the audit effort with internal audit;

b. Receive from the universities copies of reports from financial and compliance audits and reviews performed by external firms or regulators; and

c. Review disagreements regarding audit findings and recommendations between the auditor general or any external auditor and university or board management.

6.5. **Compliance.** The committee will:

a. Review the effectiveness of systems for monitoring compliance with laws, policies and regulations; and

b. Encourage continuous improvement of and adherence to universities’ audit policies, procedures and practices.

7.6. **Communications and Reporting.**

a. The presidents and executive director of the board must provide prompt notice to the board chair, the Audit Committee chair and the board executive director of any:

   (1) Irregularities with significant financial impact, and

   (2) Significant issues raised by internal auditors, state or federal auditors, or any other audit agency or authority.
b. The audit plans set forth the approved projects for the university and board auditors. Any member of the board or the Audit Committee seeking additional information, review or investigation on any issue outside of the scope of an approved audit plan should direct that request through the Audit Committee for review. If time does not permit prior committee review, the request should be sent to the Audit Committee chair and board executive director, who will determine appropriate next steps.

c. The committee will report to the board about committee activities and issues that arise with respect to:

(1) Quality or integrity of the universities’ financial statements;

(2) The universities’ compliance with legal or regulatory requirements;

(3) The relationship with the auditor general; and

(4) The performance of internal and external auditors.
EXECUTIVE SUMMARY

Item Name: Enterprise Risk Management Report - University of Arizona

☑ Action Item

Requested Action: The committee will receive a report from the University of Arizona on Enterprise Risk Management.

Discussion

- New board policy is being proposed to have universities report annually on Enterprise Risk Management.
- The University of Arizona will report on how it organizes and manages enterprise risk and its activities related to monitoring and mitigating risk.
ENTERPRISE RISK MANAGEMENT OVERVIEW
Arizona Board of Regents Audit Committee

November 4, 2021
Develop a process for regularly reviewing the significant risks identified by the universities, including receiving and reviewing information on the universities’ plans for mitigating or minimizing these risks and the effectiveness of those plans, and evaluating the universities’ preparedness to respond to significant risks.

Arizona Auditor General
Sunset Review Audit of Arizona Board of Regents Audit Report 21-105 Recommendation
Definition of Enterprise Risk Management

A structured, consistent, and continuous risk management process applied across the entire organization that brings value by:

- Proactively identifying, assessing, and prioritizing material risks
- Developing and deploying effective mitigation strategies
- Aligning with strategic objectives and administrative processes
- Embedding key components into the organization’s culture
Our Primary Areas of Risk

- Strategic
- Reputational
- Human
- Financial
- Compliance
- Operational
CONTINUOUS REVIEW

Risks that have the potential for a HIGH or VERY HIGH impact and have a HIGH or VERY HIGH likelihood of occurring

CONTINUOUS MONITORING

Risks that the potential for a LOW or MODERATE impact but a HIGH or VERY HIGH likelihood of occurring

PERIODIC MONITORING

Risks that have the potential for a LOW or MODERATE impact and a LOW or MODERATE likelihood of occurring

PERIODIC REVIEW

Risks that have the potential for a HIGH or VERY HIGH impact but a LOW or MODERATE likelihood of occurring
FOUR PRIORITY RISK LEVELS
Risks are evaluated for potential impact and likelihood to determine appropriate levels of current or periodic monitoring and review.

RISK EVALUATION
Each risk is evaluated for impact potential to the identified risk categories – operational, compliance, financial, human, reputational, and strategic.

RISK OWNERSHIP
Risks are assigned to senior leaders to ensure risks are continuously evaluated, and mitigation measures are regularly updated.

MITIGATION MEASURES
Implemented mitigation measures are continuously evaluated for effectiveness and adjustment based on current best practice.
University Risk Oversight Committee (UROC)

UROC brings together expertise from across the university to identify and evaluate risks and opportunities that may cause harm to the UArizona, disrupt strategic objectives, or impede institutional success. The committee assigns risk owners and seeks strategies to mitigate these risks to an acceptable level of risk tolerance.

Chair - Chief Risk Officer  Steve Holland – Risk Management Services
Director Insurance Programs  Miguel Delgado – Risk Management Services
SVP Legal Affairs/General Counsel  Laura Todd Johnson – Office of General Counsel
VP Financial Service  Nicole Salazar – Financial Services
VP, Chief Human Resources Officer  Helena Rodrigues – Human Resources
VP University Initiatives  Celina Ramirez – Office of University Initiatives
VP Communications  Holly Jensen - Communications
VP Global Affairs  Brent White – Arizona Global
Vice Provost Campus Life/Dean of Students  Kendal Washington White – Dean of Students
AVP Finance and Administration  David Elmer – SVP Health Sciences
AVP Finance and Administration  Marilyn Taylor – Provost’s Office
AVP/Chief Operating Officer  Derek van der Merwe – Administration and Athletics
Chief Information Security Officer  Lanita Collette – Information Security Office
Chief Compliance Officer  Ilya Smith – Office of University Initiatives
Senior Advisor  Kody Kelleher – Government/Community Relations
Chief Auditor  Sara Click – Internal Audit
Chair of the Faculty  Jessica Summers – Faculty Senate
Thank you

Steve Holland
Chief Risk Officer
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