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AGENDA

AUDIT COMMITTEE

Monday, December 11, 2017 at 1:30 p.m.

Claiborne Building

Thomas Jefferson Room

1201 North Third Street, First Floor

Baton Rouge, Louisiana

- I. Call to Order
- II. Roll Call
- III. Approval of the Internal Audit Charter
- IV. Consent Agenda
 - A. Approval of LOFSA's Internal Audit Report - Disaster Recovery and Business Continuity Plan
- V. Other Business
- VI. Adjournment

Committee Members: T. Jay Seale III, Chair, Sonia Pérez, Vice Chair, Claudia Adley, Marty Chabert, Thomas Henning, Charles McDonald, and Jacqueline Wyatt .

Executive Summary for Audit Committee, December 11, 2017

Agenda Item No. III: Approval of the Internal Audit Charter

Background:

According to the Institute of Internal Auditors (IIA), "Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes."

ACT 314 of 2015 Regular Session required the Board of Regents to establish an Office of the Chief Audit Executive who is responsible for ensuring the internal audit function adheres to the IIA, International Standards for Professional Practice of Internal Auditing and maintains organizational independence in accordance with these standards.

Independence is the most important and fundamental attribute of a successful internal audit function. When the Chief Audit Executive reports functionally to the Audit Committee and administratively to the Commissioner of Higher Education, independence is enhanced and ensures the internal audit function operates freely from interference.

According to the International Standards for Professional Practice, the purpose, authority and responsibility of the internal audit activity must be formally defined in a written internal audit charter. The internal audit charter establishes internal audit's independent reporting structure, reporting relationship relative to the audit committee, the scope of audit activities, performance of engagements, and authorizes access to records, personnel and physical properties. Final approval of the internal audit charter resides with the audit committee.

The proposed charter is based in the IIA's model charter and is in compliance with the Standards and Act 314 of the 2015 Regular Session.

Agenda Item No. IV: Consent Agenda [Approval of LOSFA's Internal Audit Report – Disaster Recovery and Business Continuity Plan]

Prior to the creation of the Audit Committee, LOSFA reported internal audit activities through the Statewide Programs Committee. The Disaster Recovery and Business Continuity report was performed on only the LOSFA program. Internal audit is working on plans to realign and streamline audit activities with the intent to create one organization-wide internal audit risk assessment and audit plan for Fiscal Year 2019.