Elements of a Strategic Plan

1. Vision
   What is the ideal future state we are trying to create?

2. Mission
   What is our purpose? What are we here to make happen?

3. Values
   What are the fundamental beliefs that shape how we work together and serve our mission?

4. Reputation
   What do we want to be known for? What is the enduring perception or emotion that describes the total experience of PSU?

5. Position
   What unique & sustainable value do we deliver, where do we deliver it, and for whom?

2. Strategic Imperatives
   What must be accomplished over the planning horizon?

   Objectives
   How will we measure success?

3. Initiatives
   What collective actions do we need to take, that are transformative in nature?
Board of Trustees

12/11/14
PSU Office of Internal Audit
Summary Overview
Objectives of Presentation

The objectives of this presentation is to provide the Board of Trustees an overview of:

1. The internal audit charter;
2. The objectives of the annual risk assessment and of internal audits; and
3. EthicsPoint and the hotline complaints process
Objective 1 - Internal Audit Charter

The internal audit charter is a formal document that defines the internal audit activity’s purpose, authority, and responsibility. The charter outlines the reporting structure for the Director of Internal Audit; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

Summary of the Institute of Internal Auditors standard 1000.
Objective 2 - Overview of Annual Risk Assessment and Audit Plan

Objectives of Annual Risk Assessment
To identify audits that will provide the most value to PSU by:

- Reducing the risk of operational inefficiencies and ineffectiveness
- Increase the reliability and transparency of financial reporting
- Mitigating the risk of misappropriation of assets
- Mitigating the risk of non-compliance
Objective 2 – Annual Risk Assessment Summary

- Analysis and review of recent financial transactions
- Interviews of PSU management
- Review of key internal controls
- Review of recent OUS internal audits at PSU
- Review of key compliance requirements
- Review of significant contracts
- Benchmarking against peer institutions
Objective 2 - Results of Annual Risk Assessment

- PSU divided up into 34 auditable units
- Risk assessment conducted
- 1 consulting project and 4 planned audits are being recommended for 2015 and hours budgeted for special reviews
  - Consulting project:
    1. Advancement
- 4 Audits Recommended for 2015:
  1. Athletics
  2. Research and Strategic Partnerships - federal grants focused
  3. Financial Aid
  4. Housing and Residence Life
- 4 areas of audits proposed for 2016
Objective 3 - Overview of EthicsPoint and Hotline Complaints Process

- PSU uses EthicsPoint for its fraud, waste, and abuse reporting hotline.
- Stakeholders can be anonymous when reporting allegations of fraud, waste, and abuse.
- Reports are received by the Director of Internal Audit and the University Risk Manager for initial triage and response to reports.
Objective 3 - Hotline Continued

Process for reviewing reports includes:
- Review of documents, accounting transactions, and policies and procedures;
- Consultation with executive management and General Counsel;
- Interviews and observations;
- Recommendations from Office of Internal Audit (if warranted);
- Review of management’s corrective action plan (if warranted); and
- Follow-up reviews to verify corrective action was taken.

PSU and the Office of Internal Audit may also receive hotline reports from:
- The Secretary of State Oregon Audits Division
- The Oregon University System Internal Audit Department
Questions?