Audit & Compliance Committee

October 2018

October 11, 2018

11:00 a.m. - 12:30 p.m.

Boardroom, McNamara Alumni Center
AUD - OCT 2018

1. Internal Audit Update
   Docket Item Summary - Page 3
   Internal Audit Update - Page 4

2. Update on Employment Eligibility Verification (I-9) Audit Findings
   Docket Item Summary - Page 27
   August 2018 Audit Report: Employment Eligibility Verification - Page 28
   Presentation Materials - Page 50

3. Institutional Risk Profile
   Institutional Risk Profile - Page 61
   Risk Mitigation Plan - Campus Safety - Page 64
   Risk Mitigation Plan - Crisis Response - Page 65
   Presentation Materials - Page 66
AGENDA ITEM: Internal Audit Update

☐ Review  ☐ Review + Action  ☐ Action  ☑ Discussion

This is a report required by Board policy.

PRESENTER: Gail Klatt, Chief Auditor

PURPOSE & KEY POINTS

The purpose of this item is to discuss Internal Audit activities, results, and observations to help the Committee fulfill its fiduciary responsibilities. Key points include:

- Since the June 2018 meeting, 34 percent of the outstanding recommendations rated as “essential” were implemented by University departments. This is less than the expected implementation rate of 40 percent. Five units fully implemented all their remaining “essential” recommendations.
- An updated control evaluation chart is included for each audit to show progress made on the “essential” items.
- 12 audit reports containing 15 recommendations rated as “essential” were issued in the last four months.
- A summary of FY 2019 audit activities is included to provide an update of audit results.

The item will also include follow-up discussion from the September 2018 item Overview of Audit Results: Trends and Opportunities.

BACKGROUND INFORMATION

This report is prepared three times per year and is presented to the committee in conformance with Board of Regents Policy: Board Operations and Agenda Guidelines.
This report includes:
- Audit Observations/Information/Status of Critical Measures/Other Items
- Status of “Essential” Recommendations & Bar Charts Showing Progress Made
- Audit Activity Report
- Audit Reports Issued Since June 2018
- Snap Audit Summary

Details for any of the items in this report are available on request. Individual reports were sent to the President, Provost, Vice Presidents, and Chancellors about these internal audit issues.

Audit Observations/Information

Status of Critical Measures

As part of our on-going efforts to provide the Audit and Compliance Committee with critical information in as concise a format as possible, we have developed the following three charts to present a quick overview of work performed by the Office of Internal Audit.

The first chart, “Essential Recommendation Implementation,” provides our overall assessment of the success University departments had during the last period in implementing our essential recommendations. Readings in the yellow or red indicate implementation percentages less than, or significantly less than, our expected University-wide rate of 40%. Detailed information on this topic, both institution-wide and for each individual unit, is contained in the next section of this Update Report.

The second chart, entitled “Progress Towards Annual Audit Plan Completion,” is our assessment of how we are progressing towards completion of the FY 2019 Annual Audit Plan. Readings less than green could be influenced by a variety of factors (e.g., insufficient staff resources; increased time spent on non-scheduled audits or investigations).

The final chart, “Time Spent on Investigative Activities,” provides a status report on the amount of time consumed by investigative activities. Our annual plan provided an estimated budget for this type of work, and the chart will indicate if we expect that budget to be sufficient. Continued readings in the yellow or red may result in seeking Audit and Compliance Committee approval for modifying the Annual Audit Plan.
Implementation rates were 34% for the period, less than our expected rate of 40%.

Time spent to date on the FY 2019 audit plan is what was expected and budgeted for the year to date.

Time spent on investigative activities and special projects is less than expected and budgeted for the year to date.
Status of "Essential" Recommendations as of September 28, 2018

<table>
<thead>
<tr>
<th>Report Date</th>
<th>Audit (P) Indicates a University process audit</th>
<th>Original Report Control Rating</th>
<th># of Essential Recommendations in the Report</th>
<th># of Essential Recommendations Remaining</th>
<th>Current Results</th>
<th>Overall Progress Towards Implementation*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Partially Implemented</td>
<td>Not Implemented</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Not Past Target Date</td>
<td>Past Target Date</td>
</tr>
<tr>
<td>Oct-16</td>
<td>School of Dentistry</td>
<td>Needs Improvement</td>
<td>20</td>
<td>2</td>
<td>2</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Dec-16</td>
<td>Undergraduate International Admissions (P)</td>
<td>Good</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>Completed</td>
</tr>
<tr>
<td>Dec-16</td>
<td>PeopleSoft IT Management (P)</td>
<td>Good</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>Completed</td>
</tr>
<tr>
<td>May-17</td>
<td>Athletics IT</td>
<td>Needs Improvement</td>
<td>10</td>
<td>5</td>
<td>2</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>May-17</td>
<td>College of Liberal Arts</td>
<td>Good</td>
<td>8</td>
<td>2</td>
<td>2</td>
<td>Completed</td>
</tr>
<tr>
<td>Aug-17</td>
<td>Office of Admissions</td>
<td>Needs Improvement</td>
<td>15</td>
<td>4</td>
<td>3</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Oct-17</td>
<td>School of Math</td>
<td>Good</td>
<td>6</td>
<td>4</td>
<td>3</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Dec-17</td>
<td>School of Nursing</td>
<td>Good</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>Completed</td>
</tr>
<tr>
<td>Jan-18</td>
<td>School of Public Health IT</td>
<td>Adequate</td>
<td>7</td>
<td>7</td>
<td>1</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Jan-18</td>
<td>University of Minnesota, Morris</td>
<td>Good</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Jan-18</td>
<td>Department of Public Safety</td>
<td>Good</td>
<td>9</td>
<td>7</td>
<td>1</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Mar-18</td>
<td>College of Continuing and Professional Studies</td>
<td>Good</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>Completed</td>
</tr>
<tr>
<td>Apr-18</td>
<td>Global Programs &amp; Strategy Alliance</td>
<td>Good</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>May-18</td>
<td>UMD Housing &amp; Residence Life</td>
<td>Good</td>
<td>5</td>
<td>5</td>
<td>3</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>May-18</td>
<td>University Information Security</td>
<td>Good</td>
<td>7</td>
<td>7</td>
<td>1</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>May-18</td>
<td>Family Medical Leave Act Review</td>
<td>Adequate</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Total:</td>
<td></td>
<td></td>
<td>114</td>
<td>59</td>
<td>20</td>
<td>6</td>
</tr>
</tbody>
</table>

* The following bar charts provide details on progress made towards implementation

Audits > 2 years old (see the following report for details on unresolved issues)
None

Audits < 2 years old; have received prior follow-up

Audits receiving first-time follow-up

Mar-18 College of Continuing and Professional Studies Good 2 2 2 2 Completed
Apr-18 Global Programs & Strategy Alliance Good 3 3 1 1 Satisfactory
May-18 UMD Housing & Residence Life Good 5 5 3 1 1 Satisfactory
May-18 University Information Security Good 7 7 1 3 3 Satisfactory
May-18 Family Medical Leave Act Review Adequate 5 5 1 5 5 Satisfactory

Total: 114 59 20 6 17 12 4

"Essential" Recommendation Implementation Trends

<table>
<thead>
<tr>
<th>Month / Year of Follow-up Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>---------</td>
</tr>
<tr>
<td># of Essential Recommendations Receiving Follow-up</td>
</tr>
<tr>
<td># of Recommendations Considered Fully Implemented</td>
</tr>
<tr>
<td>Implementation Percentage</td>
</tr>
</tbody>
</table>

Comparison of First-time to Prior Follow-up
The bar charts shown below are presented to provide pictorial displays of the progress units are making on implementing audit recommendations rated as "essential." The bar chart included in the original report is shown in the left column, along with updated bar charts showing the previous quarter and the current status of the "essential" recommendations only (those bars that have red segments). The chart in the center column displays the status as of June 2018, while the chart on the right represents the current status. Charts are not presented for investigations. Charts for those units having implemented all "essential" recommendations during the current quarter are shown at the end of this report.
### Office of Admissions (Aug 2017)

<table>
<thead>
<tr>
<th>Category</th>
<th>Adequate Control</th>
<th>Significant Control Issue(s)</th>
<th>Critical Control Issue(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Environment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information &amp; Communication</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Risk Assessment</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Admission Process</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Enrollment Goals</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Application Fees &amp; Waivers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Systems</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### School of Mathematics (Oct 2017)

<table>
<thead>
<tr>
<th>Category</th>
<th>Adequate Control</th>
<th>Significant Control Issue(s)</th>
<th>Critical Control Issue(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Environment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information &amp; Communication</td>
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<tr>
<td>Risk Assessment</td>
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<td></td>
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<tr>
<td>Information Systems</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Youth Programs/Minors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Receipts</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Legend:
- **Green** indicates Adequate Control
- **Yellow** indicates Significant Control Issue(s)
- **Red** indicates Critical Control Issue(s)
Family Medical Leave Act Review (May 2018)

Original Report Evaluation

Previous Quarter Evaluation

Current Quarter Evaluation

NO PREVIOUS CONTROL EVALUATION CHART

Legend:
- Green: Adequate Control
- Orange: Significant Control Issue(s)
- Red: Critical Control Issue(s)
Units with Charts that Fully Implemented their "Essential" Recommendations During the Past Quarter

Original Report Evaluation  |  Previous Quarter Evaluation  |  Current Quarter Evaluation

Undergraduate International Admissions (Dec 2016)

Control Environment
Monitoring
Information & Communication
Risk Assessment
Administration
Admissions Processes

PeopleSoft IT Management (Dec 2016)

Control Environment
Monitoring
Information & Communication
Risk Assessment
IT Governance
Security Configuration
Logical Access
Change Management
System Operations

Legend:
- Green: Adequate Control
- Orange: Significant Control Issue(s)
- Red: Critical Control Issue(s)
Original Report Evaluation

Previous Quarter Evaluation

Current Quarter Evaluation

College of Liberal Arts (May 2017)

Control Environment
Monitoring
Information & Communication
Risk Assessment
Administration
Sponsored Projects
Cash Receipts
Payroll
Disbursement/Purchasing
Scholarships
Information Systems

School of Nursing (Dec 2017)

Control Environment
Monitoring
Information & Communication
Risk Assessment
Administration
Sponsored Projects
Cash Receipts
Payroll
Disbursement/Purchasing
Scholarships
Information Systems

Control Environment
Monitoring
Information & Communication
Risk Assessment
Administration
Sponsored Projects
Cash Receipts
Payroll
Disbursement/Purchasing
Scholarships
Information Systems

Legend:
- Green: Adequate Control
- Yellow: Significant Control Issue(s)
- Red: Critical Control Issue(s)
Audit Activity Report

Scheduled Audits

Completed Audits Of:

- Bookstores (Systemwide excluding UMD)
- Athletics Executive Expenses (Twin Cities)
- Humphrey School of Public Affairs
- Review of Executive, Regent and Eastcliff Expenses
- Scholarships and Fellowships (Systemwide)
- Review of Compliance with Board of Regents Bylaws and Board Operation Policies
- Employment Eligibility Verification (I-9) (Systemwide)
- Review of Select Advancing Human Research Protection Items FY18
- Department of Mechanical Engineering
- Office of Athletic Compliance (Twin Cities)
- Minnesota Extension Services
- Destiny One Registration System (DORS)

Details are shown on the following charts.

Began/Continued Audits Of:

- Review of Hospitality Expenses FY18 (Systemwide)
- AHC – Information Systems
- UMD Police Department
- Review of Controlled Substances Used in Research
- Review of Travel Expenses (Systemwide)
- Department of Obstetrics and Gynecology
- Review of Fixed Price Close-Out Process
- University Libraries (Twin Cities)
- University of Minnesota Crookston
- Residency Determination (Twin Cities)
- UMD School of Fine Arts
- OIT Business Office

- Continued to engage the next generation network (NGN) upgrade team regarding their progress. No major issues have been identified to date; the project continues to be well managed and considerate of security risks.
- Completed ten “Snap Audits” as part of our ongoing review of University activities. Eight addressed HR specific processes, the remaining two addressed work study and 1098-T processes. Four of the reviews resulted in suggested remediation steps. We found the other processes to be working as intended with either no suggested remediation or only suggestions for minor improvements. Further details on the performed “Snap Audits” is provided in the “Snap Audit Summary” section of this Update Report.

Investigations

- Performed investigative work on five issues in accordance with the University Policy on Reporting and Addressing Concerns of Misconduct.
Special Projects

- Provided consulting services related to University payroll exception testing.
- Provided technology consulting in several areas including: vendor management and purchasing processes, HIPAA security, research data storage, data center assessment and security, and the IT Security Framework.

Other Audit Activities

Participated in the following:
- President’s Cabinet
- Senior Leadership Group
- President’s Policy Committee
- Policy Advisory Committee
- Board of Regents Policy Committee
- Executive Compliance Oversight Committee
- Institutional Conflict of Interest Committee
- University of Minnesota Foundation Audit Committee
- Fairview Health Systems Audit Committee
- IT Leadership and Operational Excellence Committees
- NSF audit oversight committee
- HRPP Advisory Committee
- Research Compliance Committee
- GDPR Consultation Committee
- Use Case Categorization Scheme Committee
- P & A Senate
- SVP Senior Leadership Academy
- Data Center Co-Location Initiative
- Data Storage Council
Audit Reports Issued Since June 2018

University of Minnesota Bookstores

<table>
<thead>
<tr>
<th>Control Environment</th>
<th>Monitoring</th>
<th>Information &amp; Communication</th>
<th>Risk Assessment</th>
<th>Cash and A/R</th>
<th>Disbursements and A/P</th>
<th>Inventory</th>
<th>Security/Loss Prevention</th>
<th>Financial Analysis</th>
<th>Information Systems</th>
</tr>
</thead>
<tbody>
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<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Report #</th>
<th>Issue Date</th>
<th># of Essential Recs.</th>
<th>Total # of Recs.</th>
<th>Overall Assessment</th>
<th>Adequacy of MAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1824</td>
<td>Jun-18</td>
<td>0</td>
<td>8</td>
<td>Good</td>
<td>Satisfactory</td>
</tr>
</tbody>
</table>

Based on the results of the audit work performed, we believe the University of Minnesota Bookstores has developed a control environment and a system of internal control that addresses most major business, compliance, and information technology risks. The Bookstores use several information technology systems outside of PeopleSoft: Ratex, WebAR, and the Bookstore e-commerce website. The eight “significant” recommendations are related to the following topics: logging and monitoring of Ratex and e-commerce applications, periodic review and termination of system access, automated interfaces between certain systems, two-factor authentication for Ratex, merchandise price change controls, and expense documentation.

Intercollegiate Athletics Executive and Senior Staff Expense Review

<table>
<thead>
<tr>
<th>Control Environment</th>
<th>Monitoring</th>
<th>Information &amp; Communication</th>
<th>Risk Assessment</th>
<th>Policy Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Report #</th>
<th>Issue Date</th>
<th># of Essential Recs.</th>
<th>Total # of Recs.</th>
<th>Overall Assessment</th>
<th>Adequacy of MAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1825</td>
<td>Jun-18</td>
<td>0</td>
<td>0</td>
<td>Good</td>
<td>NA</td>
</tr>
</tbody>
</table>

This audit was performed at the request of the Athletics Director as a means to affirm compliance by his senior leadership team with University policy and the demonstration of the appropriate “tone at the top” culture he is working to establish. From the results of the audit work performed, we believe the expenses of the executive and senior ICA staff are generally in compliance with University policies and procedures. Our review did not include all Intercollegiate Athletics (ICA) staff; therefore, we cannot conclude on compliance for the totality of ICA employee or general administrative expenses.
Humphrey School of Public Affairs

Executive Officer, Board of Regents, and Eastcliff Expenses

Humphrey School of Public Affairs

Executive Officer, Board of Regents, and Eastcliff Expenses

Humphrey ranks among the country’s top ten professional public policy and planning schools and equips students to play key roles in public life. The School offers six distinctive master’s degrees, a doctoral degree, and six certificate programs. There are eight policy research centers that make significant contributions to solutions on issues ranging from: politics and governance, urban and regional planning, early childhood policy, technology, and environmental sustainability. Although we believe Humphrey’s control environment and system of internal control is good and addresses most major business and compliance risks, we did identify control improvement opportunities (rated as “significant”) in a few areas including management of: external sales organizations, human resource processes, disbursements and information.

The focus of our review was to assess compliance with appropriate University policies and processes, including allowability, reasonableness, and appropriate approvals for executive, Regent, and Eastcliff expenses. The audit also included a review of the use of athletic tickets and suites. Results of the audit work performed show the expenses of the executive officers and Regents are generally in compliance with University policies and procedures. In addition, all payroll and other compensation paid to executive officers included proper approval and supporting documentation. We noted three issues with three recommendations rated “significant” which are intended to assist the President’s office and the Board of Regents Office in improving policies and procedures related to the University’s use of the Regent and President’s Suite at TCF Bank Stadium including complimentary athletic/event tickets, and expenses related to Eastcliff.
Scholarships and Fellowships

Because of the limited scope of this audit a control evaluation chart was not developed.

<table>
<thead>
<tr>
<th>Report #</th>
<th>Issue Date</th>
<th># of Essential Recs.</th>
<th>Total # of Recs.</th>
<th>Overall Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1828</td>
<td>Jun-18</td>
<td>1</td>
<td>1</td>
<td>Good</td>
</tr>
</tbody>
</table>

Scholarships are awarded in various ways. Scholarships for incoming freshmen are generally awarded by the Office of Admissions. Scholarships are also awarded by departments and colleges and can be systemwide, college-specific, or require a separate application. Generally, fellowships are short-term opportunities lasting from a few months to several years, focused on the professional development of the fellow, and can be designed to support a range of activities. We noted that each college or department has different methods for awarding and documenting scholarships/fellowships and that it's difficult to monitor amounts available to award. The one essential recommendation relates to improved administrative oversight of the Regents Scholarship process: monitoring should be instituted to ensure recipients do not receive other institutional funding to pay for costs incurred as a part of pursuing a University degree per the policy.

Review of Compliance with Board of Regents Bylaws and Operational Policies for the Board

Since this audit report did not result in any issues that require a response, a control chart was not created and a management action plan was not necessary.

<table>
<thead>
<tr>
<th>Report #</th>
<th>Issue Date</th>
<th># of Essential Recs.</th>
<th>Total # of Recs.</th>
<th>Adequacy of MAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901</td>
<td>Jul-18</td>
<td>0</td>
<td>0</td>
<td>NA</td>
</tr>
</tbody>
</table>

The focus of our review was to assess compliance related to the operations of the Board of Regents and only included “auditable” compliance – items for which the Board and the Office of the Board must adhere. We based our testing on Board of Regent operations policies and bylaws in place during our audit period covering the current and previous Chair of the Board appointments (approximately the past 2½ to 3 years). We noted compliance with Board of Regent bylaws, and operational policies for all but one bylaw and one policy: Bylaw Article VI. Rules of Procedure For Meetings of the Board of Regents and Its Committees, Section D requires majority approval for a member to participate via phone, and Board Operations and Agenda Guidelines, Section IV. Presidential Performance Review, Evaluation, and Compensation, Subd. 2. requires all of the President's expenses be approved by the Chair. Purchasing card expenses were not being forwarded for approval. Potential opportunities for further self-review and enhancement of Board operations were also noted for the Board’s consideration.

- Adequate Control
- Significant Control Issue(s)
- Critical Control Issue(s)
Employment Eligibility Verification

The employment eligibility verification process is governed by the regulations put forth by the United States Citizenship and Immigration Services (USCIS) component of the Department of Homeland Security. The regulations require that all employers in the United States must verify the identity and work authorization of all their employees. The University process differs for employees who are citizens and employees who are foreign nationals because the process and documentation requirements for foreign national employees is more extensive. The employment eligibility verification process for citizens is decentralized at the University. From the results of the audit work performed and the error rates identified, we believe the Office of Human Resources’ control environment and system of internal control regarding the employment eligibility verification process needs significant improvement. However, the testing performed did not detect any University employees not authorized to work in United States.

2018 Review of Select Advancing Human Research Protection Items

The University launched a major initiative to enhance its human research protection program. A report to the Legislature provided a narrative summary on implementation of the work plan to improve research with human participants at the University institutionally referred to as AdvancingHRP. This is the second audit to assess specific AdvancingHRP initiatives and their resultant outcomes. Audit work performed show that the recommended changes related to Leadership Initiatives, IRB Review Process, Scientific Review, Capacity to Consent, Legally Authorized Representatives, and Use of Surrogate Consent have been implemented, are operating as expected, and are achieving the intended outcomes. Two significant recommendations relate to: ensuring research proposals for which federal funding has not been secured at the time of IRB review are reviewed after the funding is secured, and stressing the importance of using the required checklist and ensuring IRB members complete it for the studies potentially involving vulnerable population.
Mechanical Engineering

The Gopher Athletics program is subject to the rules and regulations of several associations and conferences including the NCAA, the Big Ten Conference, and the Western Collegiate Hockey Association. The Office of Athletic Compliance (OAC) serves the University by helping to educate student-athletes and athletics staff about these rules and regulations. The OAC also enforces the rules and regulations and self-reports violations. There were seven recommendations rated as significant which are intended to assist the OAC in their efforts to improve procedures and controls related to recruiting, student-athlete eligibility, camps and clinics, and other general procedures and controls.

Mechanical Engineering is a world leader in thermal science and engineering research, which also includes programs in plasma and particle technology. The department's history dates back more than a century and has gained prominence for its work in renewable energies, biofuels, and biomedical engineering. Three recommendations were rated as essential and addressed redundancy and inefficiencies created by independent information technology (IT) support model, insufficient IT vulnerability management practices and nonconformity with policy and regulations regarding controlled substances in a lab.
University of Minnesota Extension Services (Extension) is a major component of the University’s educational outreach mission. Extension is committed to discovering science-based solutions, delivering practical education and engaging Minnesotans to improve the State’s future. Extension is made up of four centers: Agriculture, Food and Natural Resources; Community Vitality; Family Development; and Youth Development. There are 87 County Offices and 15 Regional Offices located throughout the state of Minnesota. The audit resulted in three issues considered essential and addressed the elimination of vendor access to employee social security numbers, improving the tracking method for staff Safety of Minors compliance, and identifying the best solution for seeking reimbursement for a duplicate payment made.

Destiny One Registration System Control Evaluation

<table>
<thead>
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<th>Information &amp; Communication</th>
<th>Risk Assessment</th>
<th>Administration</th>
<th>Sponsored Projects</th>
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<th>Issue Date</th>
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Destiny One Registration System (DORS) is a web-based platform for managing non-credit registration activity and billing for non-traditional higher education courses. The initial system launch occurred in May of 2015 and is available system-wide. There are 32 program offices and a total of 1,142 active courses and 3,635 sections managed through the DORS application. Overall the system is well managed and the budget and expenses related to its management have been decreasing. However, there are some control processes that are still not in compliance with the University's Information Security Policy which include: vendor management controls, periodic access review, and processes for managing shared accounts.

- Adequate Control
- Significant Control Issue(s)
- Critical Control Issue(s)
Snap Audit Summary

Snap audits are highly-focused reviews conducted on a single University process or activity. These audits are designed to be completed quickly, and often leverage data analytics to minimize unit disruptions. They are intended to provide prompt results to business process owners so that potential problems can be addressed prior to formal audit reviews. The following is a summary and associated results of the Snap audits we conducted this reporting period.

• “Report To” Field
The “Reports To” field in the PeopleSoft system should be populated and up to date to ensure time and absences are routed for approval. 1,246 (2.8%) active employees have a blank or terminated/suspended “Reports To” field as of 6/4/2018. The Job Data page displayed in HRMS Employee Faced Interface does not automatically refresh the content displayed in the “Reports To” field unless a manual entry is performed to the HRMS Job Data page. As a result, the Job Data page in HRMS Employee Faced Interface does not show the most current “Reports To” information and does not match the result in the Reporting Center report “Employees / Positions who report to Vacant Positions”. The data difference can cause confusion and the incorrect information displayed on Job Data page may be misleading to the University community.

• Faculty and P&A Vacation Entry
Faculty and P&A employees are to report their vacation using the Absence Management system accessible in MyU. We identified 277 academic employees, who are eligible to receive vacation that had not reported any vacation for more than 3 years. 131 of the 277 (43%) employees had not reported any vacation for 6.5 years (FY12 to FY18).

• Background Checks
We reviewed background checks to determine whether they were being completed according to University policy. We determined 30% of new hires did not have background check completion record and 17% of background checks were performed after the hiring date.

• Absence Query
A query that is run and used by departments to review entered absence events for errors prior to the payroll on-week has discrepancies, key missing data elements, unneeded data and data that does not match data from the HRMS system. The differences likely cause inefficiency and ineffectiveness in absence monitoring and may lead to incorrect conclusions on absence approval.

• Retirement Plan Benefits
We tested to confirm the employee appointment data as entered into HRMS is properly resulting in the correct retirement plan benefits for that job classification. We did not identify any faculty/ P&A employees receiving retirement plan benefits for which they are not eligible, provided their appointment percentage in HRMS is accurate.
• **Minimum Wage**

We reviewed University data to determine if employees were in compliance with the new minimum wage requirement of $9.65 as of 1-1-18. During our review, we noted two employees who had an hourly rate of $9.50, which is less than the new minimum wage requirement. However both employees were receiving a rate override every pay period to ensure they are paid at least minimum wage. We have discussed these situations with the Payroll department of each unit and Job Data Correction sheets have been submitted to update the rate in HRMS so a rate override is not require each pay period.

• **Workers’ Compensation**

OIA reviewed a sample of accepted and denied workers’ compensation claims to determine whether the University appropriately paid the employees. The Workers’ Compensation process appears to be well controlled as OIA only found one issue during the review. The error identified was incorrect holiday pay while the employee was out on a leave of absence, which resulted in an over payment of $399.20.

• **Augmentations**

OHR’s webpage, Types of Salary Adjustments for Civil Service and P&A Employees, requires augmentations to be equal to 4% and asks for a review of possible reclassification if augmentation lasts more than a year. Through our audit work we did not find compliance with this requirement; however, it was further determined the webpage does not accurately communicate the allowable usage of augmentations. Since Civil Service rules only require that augmentations be at least 4% with no specific length of time limit and the University has no policy requirement for either, we advise that the language on OHR’s webpage, be reviewed and updated appropriately.

• **Work Study**

Student work study is a Federal and State funded program that allows higher education institutions to recoup a portion of eligible student employee’s wages up to an annual institutional maximum. We reviewed work study data and processes through data analytics and process walkthroughs to determine whether: all available funds are being used; students are not collecting more funds than they are awarded; and students are not continuing to collect funds if they become ineligible. We found the program to be well-managed. Mechanisms are in place to ensure all work study funds allocated to the University are used in alignment with requirements, and students are only receiving funds they are eligible for. Issues identified were limited to a lack of automation in the process for monitoring recipient program eligibility based on enrollment, and errors in reports used by departments to monitor their work study usage. However, manual processes sufficiently mitigate these risks.

• **1098-T**

The 1098-T form is required to be provided to all students to assist them with filing for education tax benefits/tax credit deductions. A concern was reported that some UMD College of Pharmacy students’ 1098-T forms were being calculated inconsistently. OIA’s objectives for this audit were to review: the 1098-T generation and submission process and associated controls; and whether 1098-T forms submitted to UMD Pharmacy students in 2017 contained any inconsistencies or errors. We found the 1098-T process to be well controlled. The process includes oversight and
review, consultation with the University’s Tax office, and effectively relies on automated processes. In addition, no issues with UMD Pharmacy students’ 1098-T forms were identified.
AGENDA ITEM: Update on Employment Eligibility Verification (I-9) Audit Findings

☐ Review ☐ Review + Action ☐ Action ☒ Discussion

☐ This is a report required by Board policy.

PRESENTERS: Brian D. Burnett, Senior Vice President
            Kathryn F. Brown, Vice President, Office of Human Resources

PURPOSE & KEY POINTS

The purpose of this item is to review the findings included in the Office of Internal Audit’s August 2018 audit report on employment eligibility verification and to review progress on the efforts to address the findings.

University senior leadership and the Office of Human Resources (OHR) are committed to strict compliance with the Immigration Reform and Control Act of 1986 (IRCA), and the employment eligibility verification process through the timely completion of Form I-9. This foundational principle has shaped the response to the Office of Internal Audit’s August 2018 report, and the ongoing process, training, reporting, and communication efforts on this issue.

OHR has established an I-9 Audit Response Team, a cross-functional working group comprised of both central OHR staff and unit human resource staff who help manage the I-9 compliance of United States citizens and permanent residents within the local hiring units. I-9 compliance is a distributed responsibility making the close partnership of leaders and HR professionals across the system essential to our success.

The item will include:

- An overview of the I-9 requirements;
- Learnings from analysis of the findings; and
- A discussion of the multi-pronged approach being taken to coordinate a University-wide effort to drive process improvement in Form I-9 compliance in terms of timeliness, accuracy, and recordkeeping.

The presentation will also address the continued review and remediation of historic paper I-9 documents as a significant risk mitigation strategy.
Employment Eligibility Verification

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General

The employment eligibility verification process is governed by the regulations put forth by the United States Citizenship and Immigration Services (USCIS) component of the Department of Homeland Security. The regulations require that all employers in the United States must verify the identity and work authorization of all their employees. Verification is achieved by completing Form I-9. During the 12 month period under audit, the University of Minnesota completed approximately 15,000 Form I-9s for employees who were new hires and employees who needed re-verification because of expiring documents.

The University uses an electronic, cloud-based, system called I-9 eXpress to process Form I-9s and to retain the required documentation. I-9 eXpress interfaces with HRMS and with the USCIS’ E-Verify system. Although I-9 eXpress interfaces with HRMS, information on certain foreign national employees is not automatically transferred, it must be manually entered into HRMS. At the beginning of the audit period, all foreign national employees required manual information entry in to HRMS. In September 2017, information on student workers with F-1 student visas began being automatically transferred. Information on employees who are U.S. citizens is automatically transferred. The I-9 eXpress interface with the E-Verify system allows the University to verify an employee’s identity and employment authorization with the federal government. In certain cases, the University representative completing the Form I-9 matches a picture of the employee from the government E-Verify website to the employee being hired and the documentation they have provided. Photo matching is required when an
organization participates in E-Verify and the employee uses one of the following documents for employment eligibility verification:

- U.S. Passport or Passport Card
- Permanent Resident Card (Form I-551)
- Employment Authorization Document (Form I-766)

The University process differs for employees who are citizens and employees who are foreign nationals because the process and documentation requirements for foreign national employees is more extensive. The employment eligibility verification process for citizens is decentralized at the University. Authorized University representatives within each department process the Form I-9s for employees who are citizens and who are being hired by the department. Form I-9s for foreign national employees are completed centrally by the Office of Human Resources. Foreign national employees often receive help applying for and obtaining the required work authorization documents from Internal Student and Scholar Services (ISSS); however, ISSS does not complete the employment eligibility verification Form I-9.

Audit Scope and Objectives

Our audit included an analysis of operational, compliance, and information technology procedures and controls in place at the time of our review. This analysis involved interviews with OHR staff, ISSS staff, and staff from the departments selected during detail testing. The analysis involved tests of controls over various processes. Tests focused on the period from November 1, 2016 through October 31, 2017. The following specific tests and procedures were performed:

- **Administration** – Completed interviews addressing the following components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring.
- **Analysis of Verification Timeliness and Completion** – Obtained detailed data sets containing all new University employees who started during the audit period from PeopleSoft and from I-9 eXpress. Performed an analysis of the timeliness of the completion for Form I-9s. Also performed a comparison of employees in PeopleSoft to employees in I-9 eXpress to determine if new employees were missing a completed Form I-9. Selected a sample of 30 employees who appeared to be missing an I-9 and performed detail testing.
- **Detail Testwork** – Detail tested a total sample of 40 employees. The total sample consisted of 10 new employees who are citizens, 20 new employees who are foreign nationals, and 10 employees who were terminated.
- **Information Technology** – Reviewed and tested general computer controls over the I-9 eXpress system. Areas tested included user authentication, user administration, and vendor management.
Conclusion

From the results of the audit work performed, we believe the Office of Human Resources’ control environment and system of internal control regarding the employment eligibility verification process needs significant improvement.

The audit resulted in 8 issues considered “essential” to minimizing existing operational and compliance risks:

- The Office of Human Resources should take steps to ensure the accuracy and consistency of information across the I-9 eXpress and PeopleSoft systems including the education of departments entering information and the improvement of the automatic data transfer between systems. (Recommendation 1)
- In order to comply with federally regulated time limits, considering the University's decentralized type organization, OHR should ensure clear procedures are established, communicated, and followed. (Recommendation 2)
- The Office of Human Resources should consider performing periodic analyses or reconciliations of new employees hired in PeopleSoft and new employees for which an I-9 was completed in I-9 eXpress to identify new employees who may not have completed a required Form I-9. (Recommendation 3a)
- OHR should revise their procedures and training manuals regarding document retention in order to ensure they are clear and consistent. (Recommendation 4)
- Two-factor authentication should be implemented in accordance with University standards. If system limitations preclude adherence to this authentication requirement, OHR should work with UIS to identify additional compensating controls and obtain a formal exception. (Recommendation 5)
- The Office of Human Resources should prepare and document formal user administration processes for the I-9 eXpress system. (Recommendation 6a)
- Formal, documented, periodic access reviews should be performed at least annually for all users to ensure there is an ongoing need for access. (Recommendation 6b)
- The Office of Human Resources should periodically obtain third-party attestations from its external vendor, I-9 eXpress, who manages University data. (Recommendation 7)

The testing performed did not detect any University employees not authorized to work in United States.

The following chart illustrates the various areas reviewed during the audit and our assessment of the adequacy and effectiveness of the related controls.
The Office of Human Resources has developed a management action plan that is responsive to the audit recommendations.

Sincerely,

Gail L. Klatt, CIA
Associate Vice President and Chief Auditor
August 13, 2018
Issues and Recommendations

Data Accuracy and Consistency

1. **Inaccurate and inconsistent data was found among University Systems.**

During our analysis of the accuracy and consistency of information between the I-9 eXpress and PeopleSoft systems, we noted instances of inconsistent dates and data transfers. Currently only the I-9 completion dates of citizens and F-1 visa students are automatically transferred to PeopleSoft and foreign national completion dates are manually entered. The transfer of citizen data was also confirmed to not be complete in all situations.

Inconsistent data was discovered in the hire date on Form I-9 (in I-9 eXpress) and the hire date in PeopleSoft for original hires. The Hire Date used on Form I-9 is defined by the USCIS as the "date the employee began (or will begin) work for pay". It is important for information to be correct and consistent across University systems. We also noted instances where the date representing the completion of Form I-9 was left blank in PeopleSoft. There were instances where the date was blank for both citizens and for foreign national employees. This date is important because it is used to calculate the time limit when rehiring an employee. A rehired employee does not need to complete a new Form I-9 if the last Form I-9 they completed at the employer was less than three years prior. It is also important to note that differences in these dates or inconsistent entry of the dates into PeopleSoft restricts the ability to perform ongoing timeliness and completeness monitoring. As of now, University-wide Form I-9 timeliness and completeness information is only available in I-9 eXpress to the two system administrators and no periodic monitoring is performed to ensure timely completion.

**Recommendations**

1a. The Office of Human Resources (OHR) should take steps to ensure the accuracy and consistency of information across the I-9 eXpress and PeopleSoft systems including the education of departments entering information and the improvement of the automatic data transfer between systems.

**Rating: Essential**

1b. OHR should consider centralizing all Form I-9 processing in order to be able to ensure compliance with federal regulations.

**Rating: Significant**
Form I-9 Completion

2. *Form I-9s were not completed within the time limits and employment was allowed to continue.*

There are three general time limits imposed by the USCIS on the completion of Form I-9s. First, the newly hired employee must complete Section 1 of Form I-9 in I-9 eXpress before they are allowed to start working at the University. Second, the employee must present their proof of identity and work authorization documents to the University representative and the representative must complete Section 2 of Form I-9 with three days of the employee’s start date. Lastly, if the employee is a foreign national and their documentation is expiring, the employee must be re-verified with new documentation before the old documentation's expiration date. We reviewed the timeliness of the completion of Form I-9s with data analytics that tested 100% of the approximately 15,000 Form I-9s completed during the audit period. We compared the Form I-9 section completion dates in I-9 eXpress to the employee’s first day of employment in I-9 eXpress. We also tested timely completion through sample-based detail testing procedures. The results of the different procedures performed were relatively consistent and yielded an untimely completion rate of approximately 40%. Of the forms not completed timely, the vast majority were completed within the 2-3 week period following the hire date due in part to an automated "Stop Pay" report. The Stop Pay report is run each pay period and is designed to not allow payments to employees until they have a Form I-9 completed and have satisfied other employment requirements. The list below details the analyses we performed to assess timely I-9 completion.

- We performed an analysis on data pulled from the I-9 eXpress system. We compared the employee signature date and the University representative signature date to the first day of employment date for all Form I-9s completed during the audit period. All data used in this comparison was from I-9 eXpress. We noted that 37.6% of the Form I-9s completed during the audit period were not completed timely. Of the Form I-9s that were not completed timely in this analysis, 92.6% were completed within 30 days.

- During our detailed sample testing, we noted that 18 of 40 (45.0%) employees across our three sample sets did not have Form I-9s completed within the time period required by federal regulations. The issue appears to be more pervasive among foreign national employees with 15 of 22 (68.2%) of I-9 Forms not completed timely when compared to 3 of 18 (16.7%) employees who are citizens. As part of our detail testing, we confirmed that employees without a Form I-9 completed timely did in fact work and were paid for time worked outside the mandated time limits.

- We performed an analysis aimed at ensuring all new employees during the audit period had completed a Form I-9. We reviewed copies of seven Form I-9s as part of the procedure. We noted that 3 of 7 (42.9%) Form I-9s obtained and reviewed were not completed within the required time limit. While performing our detail sample testing, we reviewed the expiration of identity and work authorization documentation and required re-verifications when applicable. We noted that one foreign national employee was not re-verified before their documentation expiration date. The employee continued to work at the University with an expired Form I-9. The University must re-verify employee’s documentation before it expires or the employee
should not be allowed to continue working at the University. There is a stop pay report used by OHR that triggers a stop in pay when an employee's Form I-9 expires. However, there is some lag because the report is run when payroll is processed. Payroll processing is done several days after the two week pay period ends. Payroll Services must pay employees if they have worked. The department employing the individual with an expiring Form I-9 must stop the employee from actively working until they have re-verified their documentation.

**Recommendation**

2. In order to comply with federally regulated time limits, considering the University's decentralized organization, it would be advisable to create clear and enforceable processes. Units throughout the University must be aware of their obligation to complete a Form I-9 within the time limits and to not allow an employee to work outside of the time limits without a completed form. It is important to note that the University must pay employees for time worked even if the employee has not had their employment eligibility verified. Therefore, it is the responsibility of the unit or department hiring the employee to make sure the employee does not work outside the time limits without a completed I-9.

**Rating: Essential**

3. **Incomplete or inaccurate Form I-9s were noted.**

During our analysis of the completion of Form I-9 for employees hired during the audit period, we noted that the University obtained identification and work authorization documentation, but did not complete a Form I-9 for three of the employees tested. In each case the employee was a foreign national and provided sufficient documentation. Had an I-9 been completed, it appears that the employee would have been eligible to work for the University. However, it is required by federal USCIS regulations that a Form I-9 be completed and retained for all employees working in the U.S. Also, the University uses E-Verify which requires the University to perform photo matching when certain documents are used including passports. Because Form I-9s were not completed for these employees, the required E-Verification was also not performed.

We found that 1 of 18 (5.5%) employees tested who are citizens did not have the correct start date listed in Section 2 of Form I-9 based on the employee’s payroll history. The first day of employment listed in the Form I-9 must be the commencement of employment of an employee for wages. The University representative completing Section 2 enters this information and signs the form attesting to its accuracy.

**Recommendations**

3a. OHR should perform periodic analyses or reconciliations of new employees hired in PeopleSoft and new employees for which an I-9 was completed in I-9 eXpress to identify new employees who may not have completed a required Form I-9.

**Rating: Essential**
3b. As noted in Recommendation 1a, OHR should take steps to ensure the accuracy and consistency of information across University systems including the education of individual departments. Note that “first day of employment” in Section 2 of Form I-9 is the day that the employee actually starts working.

Rating: Significant

Document Retention

4. Employment eligibility verification document retention is incomplete.

We noted that for 4 of 18 (22.2%) employees who were U.S. citizens in our sample, the I-9 documentation required by the USCIS to be retained was not kept by OHR or by the department hiring the employee. In these cases, the employee used a passport or a permanent resident card which is a "List A" document on the Form I-9. When an employee uses a passport or a permanent resident card and it is E-Verified with the USCIS, the employer must retain a copy of it. In these four cases, it appears that there was confusion as to the University’s document retention processes. The departments noted that they sent physical copies of the passports to OHR although they should have been scanned and uploaded to I-9 eXpress. OHR did not retain the physical copies sent to them.

We also noted during detail testing that the University did not retain identity and employment authorization documentation for 1 of 22 (4.5%) foreign national employees tested. All employers in the U.S. are required by the U.S. Citizenship and Immigration Services division of the Department of Homeland Security to retain a completed Form I-9 and supporting documents used for photo matching during the E-Verify process.

There is inconsistency in the retention of physical copies of I-9 support documents within the University. Most departments do not retain physical copies; however, we noted during testing that some departments do retain physical copies. We reviewed current guidance put forth by OHR for reference by individual departments and noted inconsistencies that may cause confusion in departments. For example, the Quick Reference Guide for I-9 Administrators should be updated to no longer give the option of sending hardcopy Form I-9 documents to Payroll Services as all I-9 documents should be stored in I-9 eXpress.

Recommendations

4. OHR should revise their procedures and training manuals regarding document retention in order to ensure they are clear and consistent. The procedures and manuals should properly instruct all University units on I-9 document retention requirements to ensure compliance with federal document retention regulations.

Rating: Essential
Information Technology

5. Controls over user authentication are not adequate.

Two-factor authentication is not in place for the I-9 eXpress system. Two-factor authentication is required by the University Information Security policy to be used for systems which contain private highly-restricted data, which I-9 eXpress contains. Two-factor authentication uses two or more factors of authentication (e.g. something you know and something you have) to verify the identity of the user requesting access to resources. If two-factor authentication is not in place, strong password requirements may partially mitigate the risk of unauthorized access. However, password controls for I-9 eXpress system logins via the vendor mediated authentication do not have password requirements configured in a manner that meets University password requirements.

The I-9 eXpress system houses data that is considered private and highly-restricted. It is critical to ensure only people authorized by the University have access to this data which is hosted on a cloud-based system. This heightened level of risk related to this system means that strong user access controls must be in place.

Recommendation

5. Two-factor authentication should be implemented in accordance with University standards. If system limitations preclude adherence to this authentication requirement, OHR should implement strong password requirements and work with University Information Security (UIS) to identify additional compensating controls and obtain a formal exception.

Rating: Essential

6. The Office of Human Resources has inadequate user administration processes over I-9 eXpress.

The University’s I-9 eXpress user administration processes are informal and do not address all associated risks. This includes processes to add/change/delete users, handle temporary access, handle emergency access, remove access for users who have not logged into the system; or periodically reviewing users’ access for ongoing appropriateness. There are no written procedures governing any of these user administration processes.

User access requests and approvals are not consistently maintained, and appropriateness of approvers is not formally documented. Requests for user access to I-9 eXpress are generally received via email and are kept only in employee UMN email accounts. In addition, there is no list of appropriate University approvers and reliance is placed solely on administrator knowledge despite users and approvers being dispersed across the University. However, the risk posed by the lack of an approver list is partly reduced by the system administrators working with the HR lead approvers frequently and generally knowing who the appropriate approvers are.
OHR noted that they perform an annual comprehensive review of employees with access to I-9 eXpress. However, this process is similarly informal and there is no documentation of the completion of the review. In addition, even though users are dispersed throughout the University, the review is only performed by central administrators; not designated approvers or supervisors/business users who would be knowledgeable about a specific user’s access.

Inadequate user administration processes could result in unauthorized user access that could compromise the confidentiality, integrity or availability of the system and data. Per the University Information Security Policy, access to IT systems should include documented processes to confirm access is authorized based on current role and responsibilities, revoked immediately upon termination and regularly reviewed to ensure access based on current role and responsibilities.

**Recommendations**

6a. OHR should prepare and document formal user administration procedures for access to the I-9 eXpress system as required by the University Information Security policy. The user administration processes should require requests and approvals for changes in access rights including when access is granted, modified, or removed. The processes should ensure that access is removed in a timely manner upon termination. These processes should also establish designated approvers within each department for all application access modifications.

**Rating: Essential**

6b. Formal, documented, periodic access reviews should be performed at least annually for all users to ensure there is an ongoing need for access. These reviews should include formal approval of appropriateness of user access. The review should be performed by personnel who are aware of users’ activities. Those performing the reviews could be the same as the designated approvers identified as part of Recommendation 6a.

**Rating: Essential**

7. **Vendor Management controls are not adequate to ensure risks are mitigated.**

OHR uses a service hosted by the vendor, I-9 eXpress, which processes Form I-9s including E-Verification with USCIS. The system also retains the completed Form I-9 and employment eligibility documentation for the required time period. OHR has not established adequate vendor management practices for this system. Some security information was obtained through inquiry with the vendor prior to establishing the contract. However, effective vendor management practices include conducting comprehensive assessments of the vendor control environment prior to the vendor being granted access to University data and periodically thereafter. This due diligence is often done in part through obtaining and reviewing third-party attestations, which opine on the adequacy of the vendor security and control processes (e.g., a “SOC 2” report). No such attestations were obtained, and no comprehensive security reviews were performed.
When an outside vendor is controlling part or all of a system storing sensitive University data, the University needs to assess the vendor’s security and control processes. The University Vendor/Supplier Management standard also requires Software as a Service (SaaS) systems to be reviewed to ensure they meet all University Information Security Policy requirements. In addition, for high security-level systems, this standard requires reviewing independent certifications/attestations of vendor’s control processes prior to contracting with a SaaS vendor and periodically thereafter.

**Recommendation**

7. OHR should periodically obtain third-party attestations from its external vendor who manages University private data (I-9 eXpress). OHR should work with its IT team, the University's Technology Advisory Council, and/or UIS to review the attestations to ensure the systems are adequately controlled and the attestations cover critical system and control processes. OHR should also ensure any control processes that are its responsibility (as noted in the third-party attestation or otherwise) are being performed. If attestations cannot be obtained, OHR should consult with UIS to implement compensating controls and obtain an exception if the risk of doing business with the vendor is deemed acceptable.

**Rating: Essential**
Audit Recommendation Rating System

This audit incorporates a rating system developed to enable the reader to determine the relative importance of the recommendations made. The rating for each recommendation is shown directly after the recommendation. Recommendations are rated as follows:

**Rating: Essential**

*Resolution would help avoid a potentially critical negative impact involving loss of material assets, reputation, critical financial information, or ability to comply with the most important laws, policies or procedures.*

**Rating: Significant**

*Resolution would help avoid a potentially significant negative impact on the unit's assets, financial information, or ability to comply with important laws, policies or procedures.*

**Rating: Useful**

*Resolution would help improve controls and avoid problems in the unit's operations. These issues are often handled verbally with the unit audited.*

The Office of Internal Audit will do follow-up three times per year on all “essential” recommendations to determine the progress made on implementation. The current status of these items is reported to the Audit Committee of the Board of Regents.
Appendix A, List of Acceptable Documents

Below is the List of Acceptable Documents as it appears on the current Form I-9 (Expires 08/31/2019)

<table>
<thead>
<tr>
<th>List A</th>
<th>List B</th>
<th>List C</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Documents that Establish Both Identity and Employment Authorization</strong></td>
<td><strong>Documents that Establish Identity</strong></td>
<td><strong>Documents that Establish Employment Authorization</strong></td>
</tr>
<tr>
<td>1. U.S. Passport or U.S. Passport Card</td>
<td>1. Driver's license or ID card issued by a State or outlying possession of the United States provided it contains a photograph or information such as name, date of birth, gender, height, eye color, and address</td>
<td>1. A Social Security Account Number card, unless the card includes one of the following restrictions: (1) NOT VALID FOR EMPLOYMENT</td>
</tr>
<tr>
<td>2. Permanent Resident Card or Alien Registration Receipt Card (Form I-551)</td>
<td>2. ID card issued by federal, state or local government agencies or entities, provided it contains a photograph or information such as name, date of birth, gender, height, eye color, and address</td>
<td>(2) VALID FOR WORK ONLY WITH INS AUTHORIZATION</td>
</tr>
<tr>
<td>3. Foreign passport that contains a temporary I-551 stamp or temporary I-551 printed notation on a machine-readable immigrant visa</td>
<td>3. School ID card with a photograph</td>
<td>(3) VALID FOR WORK ONLY WITH DHS AUTHORIZATION</td>
</tr>
<tr>
<td>5. For a nonimmigrant alien authorized to work for a specific employer because of his or her status:</td>
<td>5. U.S. Military card or draft record</td>
<td>3. Original or certified copy of birth certificate issued by a State, county, municipal authority, or territory of the United States bearing an official seal</td>
</tr>
<tr>
<td>b. Form I-94 or Form I-94A that has the following:</td>
<td>7. U.S. Coast Guard Merchant Mariner Card</td>
<td>5. U.S. Citizen ID Card (Form I-197)</td>
</tr>
<tr>
<td>(1) The same name as the passport; and</td>
<td>8. Native American tribal document</td>
<td>6. Identification Card for Use of Resident Citizen in the United States (Form I-179)</td>
</tr>
<tr>
<td>(2) An endorsement of the alien's nonimmigrant status as long as that period of endorsement has not yet expired and the proposed employment is not in conflict with any restrictions or limitations identified on the form</td>
<td>9. Driver's license issued by a Canadian government authority</td>
<td>7. Employment authorization document issued by the Department of Homeland Security</td>
</tr>
<tr>
<td>6. Passport from the Federated States of Micronesia (FSM) or the Republic of the Marshall Islands (RMI) with Form I-94 or Form I-94A indicating nonimmigrant admission under the Compact of Free Association Between the United States and the FSM or RMI</td>
<td><strong>For persons under age 18 who are unable to present a document listed above:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10. School record or report card</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11. Clinic, doctor, or hospital record</td>
<td></td>
</tr>
<tr>
<td></td>
<td>12. Day-care or nursery school record</td>
<td></td>
</tr>
</tbody>
</table>
August 13, 2018

To: Gail Klatt, Chief Auditor

From: Kathryn F. Brown, Vice President, Office of Human Resources

Subject: Management Action Plan and Response, I-9 Audit

**Background:**

The Immigration Reform and Control Act of 1986 (IRCA) prohibits employers from knowingly hiring unauthorized aliens and from allowing individuals to work for pay without completing the employment eligibility verification process. This act led to creation of the Form I-9, Employment Eligibility Verification. All employers must use Form I-9 for all employees hired on or after Nov. 6, 1986.

The Office of Human Resources (OHR) serves as the responsible office providing central systems, training, and advice to unit I-9 Administrators. The administration of the Form I-9 employment eligibility verification is split into two steps. In the first step, the employee completes section one of Form I-9 on or before their first day of work for pay. In the second step, the hiring authority then must review the Form I-9 and supporting documentation in person, and complete section two, attesting to this review and verification within three days following the first day of work for pay. The hiring authority must also ensure that all required documentation is properly stored.

The responsibility for citizen and permanent resident I-9 employment eligibility verification at the University is decentralized, resting with the local hiring unit. Foreign national employment eligibility verification is handled centrally within OHR Operations. This is due to the increased complexity of employment eligibility verification for visa-holding employees.

In 2017, the University of Minnesota completed nearly 15,000 Form I-9s for employees who were new hires, rehires, and foreign national employees needing re-verification due to expiring documents.

While the audit highlights problems with the timeliness of completing the Form I-9 Employment Eligibility Verification, and provided a number of recommendations to improve timeliness, data accuracy, and system security, **there are no findings, in either this audit or in our subsequent reviews to date, that the University has employed individuals who are not eligible to work in the United States.**

**Audit Response Introduction**

University senior leadership and the Office of Human Resources are committed to strict compliance with this federal law. This principle will shape our response and our ongoing training, communication, and process change efforts.
The Office of Human Resources has established an I-9 Audit Response team, a cross-functional working group comprised of both central OHR and unit staff who manage I-9 compliance of citizens and permanent residents within the hiring units. The primary goals of this work group are twofold. First, to carry out a comprehensive review and remediation of our existing I-9 records. Second, to coordinate a University-wide effort to drive process improvement in Form I-9 employment eligibility verification compliance concerning timeliness, accuracy, and record-keeping.

As part of our efforts, OHR is conducting an ongoing review of the University’s I-9 forms to confirm whether there is an I-9 on file for each of the 64,179 current/active and terminated employees whose I-9’s are still required to be maintained as of May 28, 2018. To date, this ongoing review has indicated that less than 0.50% of these I-9 records have not yet been located. An even smaller percentage of this group of I-9 records are for active employees, and new I-9 forms are being completed for these active employees. This process is continuing until it can be verified that all current employees have an I-9 on file.

**Process Improvement**

The Office of Human Resources, with input from the I-9 Audit Response Team, has developed a three-step plan to ensure future compliance with federal I-9 requirements. Timeliness is prioritized as it is our greatest compliance risk going forward. This plan will implement increasing levels of centralization as needed to accomplish full compliance with Form I-9 Employment Eligibility processing. Monitoring of Form I-9 compliance is a key element of this plan and will be used to determine the extent to which these steps will be needed to accomplish full compliance. Monitoring will also result in sanctions for units that do not achieve compliance.

**Step One**, to be implemented for fall 2018 hiring, includes five changes University-wide in order to strictly enforce the requirement that the form I-9 employment eligibility verification be completed on or before the first day of work.

**First**, offer letters will be enhanced to include language that University employment, including all contractual rights and benefits of the position, is contingent upon completion of the I-9 on or before the first day of work for pay.

**Second**, following from this, working without having completed an I-9 form will be strictly prohibited, and all employees who fail to complete the I-9 on or before the first day of work for pay will be terminated or placed on an unpaid leave of absence (with re-hiring/reinstatement to follow once the form is completed).

**Third**, we will undertake an aggressive pre-hire communication plan directed to student workers, and faculty and staff. Tailored communication and training will be directed to all HR leaders, I-9 administrators, and hiring managers describing the importance of adhering to this federal law and reinforcing their on-going responsibility for compliance to the standard. Finally, we will also communicate with senior leadership across the University informing them of the importance of supporting full compliance of their campuses and in their units.
Fourth, OHR will aggressively monitor ongoing compliance with timely I-9 processing and provide monthly reports to deans, vice presidents and HR leads on compliance rates in their units.

Finally, I-9 compliance reports will also be provided to University leadership to be reviewed at the annual budget compact meetings with potential consequences, including a possible unit monetary withholding or directed hiring freeze, or both, for non-compliance.

Step Two, to be implemented if Step One does not adequately ensure compliance, will add to the requirements established in step one by centralizing all student-worker I-9 processing through a series of centralized hubs including potential requirements for establishing specific days of the week as the only start dates for student workers to begin employment. Our additional data analysis suggests that 65% of late Form I-9 completion occurs with the student worker group. Student workers, while not categorized as employees under the Minnesota Public Employee Labor Relations Act (PELRA), are still subject to I-9 verification under federal law. Focusing on this unique group to improve timeliness addresses our greatest compliance risk. If needed, Step Two will be implemented during the second half of this fiscal year (between January and June 2019).

Step Three, to be implemented as needed upon assessment that earlier process changes have not achieved full compliance, will expand the centralization of Form I-9 processing to all faculty, staff, and student workers, again at a series of regionalized hubs. If needed, these hubs would be implemented for next fiscal year starting July 1, 2019. New employees would continue to be required to complete their I-9 form on or before their first day of work for pay.

Audit Recommendation Responses

1. **Inaccurate and inconsistent data was found among University Systems.**

1a. The Office of Human Resources (OHR) should take steps to ensure the accuracy and consistency of information across the I-9 eXpress and PeopleSoft systems including the education of departments entering information and the improvement of the automatic data transfer between systems.

Rating: Essential

Response:

The Office of Human Resources has consulted with the Office of General Counsel and outside counsel to better understand the risk presented by inconsistent data between the I-9 eXpress and PeopleSoft systems. We have learned that a potential federal audit would take into consideration the actual first earnings date to determine the timeliness of completing an I-9 form. The Office of Human Resources has further analyzed the scope and source of data inconsistencies between PeopleSoft and I-9 Express. The results of this analysis are being used to determine and prioritize action steps to correct existing inconsistencies and to avoid errors going forward. Initial consultation with the vendor (Equifax) that provides the I-9 eXpress online application, has identified opportunities to create an automated data transfer between PeopleSoft and I-9 eXpress in order to improve this consistency. We will prioritize these technical changes within the HRMS
project governance framework. Enhanced training and ongoing monitoring will also support improved accuracy and consistency of this data going forward.

Person Responsible: Amy Kucera

Timeline: 3/31/2019

1b. OHR should consider centralizing all Form I-9 processing in order to be able to ensure compliance with federal regulations.

Rating: Significant

Response:

As detailed above, the Office of Human Resources has developed a three-step plan to ensure compliance with federal I-9 requirements. This plan will implement increasing levels of control and centralization as needed to accomplish full compliance with I-9 employment eligibility processing. The first step will be implemented for fall hiring in 2018. The second step is expected to be implemented during the second half of this fiscal year. Step three would expand centralization to all employees should prior process changes not result in full compliance.

Person Responsible: Amy Kucera

Timeline: Underway and ongoing

2. Form I-9s were not completed within the time limits and employment was allowed to continue.

2. In order to comply with federally regulated timely limits, considering the University’s decentralized organization, it would be advisable to create clear and enforceable processes. Units throughout the University must be aware of their obligation to complete a Form I-9 within the time limits and to not allow an employee to work outside of the time limits without a completed form. It is important to note that the University must pay employees for time worked even if the employee has not had their employment eligibility verified through timely completion of an I-9 form. Therefore, it is the responsibility of the unit or department hiring the employee to make sure the employee does not work outside the time limits without a completed I-9.

Rating: Essential

Response:

OHR, in consultation with other senior leaders, is creating a new imperative for I-9 compliance at the University. As noted above, enhanced monitoring and reporting will be a key element of this process change. The enhanced monitoring will measure the success of process improvements and will identify ongoing barriers to compliance. Additionally, senior leadership, through the budget compact process may apply specific consequences to units for failure to comply with I-9 processing time and completeness recommendations.
A thorough communications plan, directed at multiple stakeholders, has been developed by OHR to heighten awareness of the obligations of I-9 compliance. OHR is working with the Office of General Counsel to draft enhanced language to be included in all employment offer letters making employment contingent on timely I-9 completion. The goal of training and communications is to ensure a broad understanding of the new timeliness requirements and the resources available to I-9 Administrators to support their compliance efforts.

Person Responsible: Amy Kucera / Heather Kidd

Timeline: 12/31/18

3. **Incomplete or inaccurate Form I-9s were noted.**

3a. OHR should perform periodic analyses or reconciliations of new employees hired in PeopleSoft and new employees for which an I-9 was completed in I-9 eXpress to identify new employees who may not have completed a required Form I-9.

Rating: Essential

Response:

In late May, OHR provided a query available to units in the MyU Reporting Center called UM_PY_I9_Needed. The query shows active employees in PeopleSoft who have no I-9 Verification indicated on the visa / permit panel in PeopleSoft. Payroll Services staff monitor this report centrally on a daily basis and reach out to units who have I-9 compliance issues. Our enhanced training will also include improved information on reports that support compliance monitoring that are available to unit I-9 Administrators in I-9 eXpress.

Additional tools for compliance monitoring and reporting from the Office of Human Resources are being developed by a sub-group of the I-9 Audit Response Team. As noted above, monitoring of form I-9 compliance is a key element of our process and compliance improvement plan. Monthly reports detailing I-9 compliance will be provided to unit leadership. Annual reporting of I-9 compliance adherence will also be provided to University leadership to be reviewed at the budget compact meetings with potential consequences, including a unit monetary fine or hiring freeze, for non-compliance.

Person Responsible: Heather Kidd

Timeline: Implemented and ongoing

3b. As noted in Recommendation 1a, OHR should take steps to ensure the accuracy and consistency of information across University systems including the education of individual departments. Note that “first day of employment” in Section 2 of Form I-9 is the day that the employee actually starts working.

Rating: Significant

Response:

OHR has developed a training and communications plan that clearly spells out the newly established standard, University-wide, that an employee must complete the I-9 employment
eligibility verification process on or before their first day of work for pay. This includes clarification that the first day of work for pay in Section 2 of Form I-9 is the day that the employee actually starts working. In fact, if the employee is not able to produce their required documentation, the instruction is that their start-date will be delayed until this process can be completed.

Person Responsible: Amy Kucera
Timeline: Implemented and ongoing

4. **Employment eligibility verification document retention is incomplete.**

4. OHR should revise their procedures and training manuals regarding document retention in order to ensure they are clear and consistent. The procedures and manuals should properly instruct all University units on I-9 document retention requirements to ensure compliance with federal document retention regulations.

Rating: Essential
Response:

OHR is consulting with the Office of General Counsel and outside counsel to determine an I-9 records retention plan that is fully compliant, minimizes risk to the University, and can be consistently implemented University-wide. The implementation of this plan will include thorough and clear document retention instructions in training content, the communications plan, and process documentation.

Person Responsible: Heather Kidd
Timeline: 12/31/2018

5. **Controls over user authentication are not adequate.**

5. Two-factor authentication should be implemented in accordance with University standards. If system limitations preclude adherence to this authentication requirement, OHR should implement strong password requirements and work with University Information Security (UIS) to identify additional compensating controls and obtain a formal exception.

Rating: Essential
Response:

I-9 Express released a security upgrade on July 2, 2018 that enhanced authentication using One-time Passcode (OTP) functionality, user registration via employer-supplied contact information, and expanded use of outside data and analytics tools to validate user information. An authentication error and redirect to the employer Web Manger will also be added for any user who fails authentication. OHR will work with UIS and I-9 eXpress to ensure authentication standards are met.

Person Responsible: Heather Kidd
Timeline: 12/31/2018
6. The Office of Human Resources has inadequate user administration processes over I-9 eXpress.

6a. OHR should prepare and document formal user administration procedures for access to the I-9 eXpress system as required by the University Information Security policy. The user administration processes should require requests and approvals for changes in access rights including when access is granted, modified, or removed. The processes should ensure that access is removed in a timely manner upon termination. These processes should also establish designated approvers within each department for all application access modifications.

Rating: Essential
Response:

OHR Operations is working with the Office of Information Technology Access Provisioning unit to accomplish this recommendation. That work is underway and is expected to be complete by December of 2018.

Person Responsible: Phil Klein
Timeline: 12/31/2018

6b. Formal, documented, periodic access reviews should be performed at least annually for all users to ensure there is an ongoing need for access. These reviews should include formal approval of appropriateness of user access. The review should be performed by personnel who are aware of users' activities. Those performing the reviews could be the same as the designated approvers identified as part of Recommendation 6a.

Rating: Essential
Response:

OHR Payroll Services will implement a process for regular access review and will implement this in time for the upcoming academic year.

Person Responsible: Heather Kidd
Date: 8/31/2018

7. Vendor Management controls are not adequate to ensure risks are mitigated.

OHR should periodically obtain third-party attestations from its external vendor who manages University private data (I-9 eXpress). OHR should work with its IT team, the University’s Technology Advisory Council, and/or UIS to review the attestations to ensure the systems are adequately controlled and the attestations cover critical system and control processes. OHR should also ensure any control processes that are its responsibility (as noted in the third-party attestation or otherwise) are being performed. If attestations cannot be obtained, OHR should consult with UIS to implement compensating controls and obtain an exception if the risk of doing business with the vendor is deemed acceptable.

Rating: Essential
Response:
OHR did obtain a third-party attestation from Equifax concerning their I-9 Execution and Storage Policy in 2017. We will consult with OIT to ensure that these practices meet University standards.

Responsible Party: Heather Kidd

Due Date: 12/31/18

c: Brian Burnett, Sr. Vice President
   Doug Peterson, General Counsel
What we will cover today

- Federal I-9 requirements
- Internal audit results
- A deeper dive into our results
- Improvements going forward
- Remediating existing I-9 forms
- Lessons learned
Federal law requires employers to verify the employment eligibility of their workforce

• Immigration and Control Act of 1986 requires employers to verify employment eligibility for all new hires and rehires using the I-9 Form.

• U.S. Citizenship and Immigration Services has strict timing requirements for completing the I-9:
  – Section 1: on or before the first day of work
  – Section 2: by the end of the third workday
Internal audit results identified two primary issues to address

1. Most errors were related to timely completion of both Parts 1 and 2 of the I-9

2. Our systems showed different start dates for new hires/rehires
A deeper examination

• Reviewed all I-9 records back to 1986
• Benchmarked processes and issues with nine (of 14) Big 10 Schools in May 2018
• The challenge is the decentralized nature of universities similar in size and scope to the U.
Going forward, the University is focused on full I-9 compliance

Improving I-9 compliance using five levers of control:

<table>
<thead>
<tr>
<th>Senior Leader Support</th>
<th>Process Training &amp; Communications</th>
<th>Monitoring Tools</th>
<th>Consequences for Non-Compliance</th>
<th>Testing</th>
</tr>
</thead>
</table>
Remediation: Addressing existing I-9 issues

Correcting errors on paper I-9 forms for current faculty and staff as part of remediation efforts

Timeliness is not a correctable error per U.S.C.I.S.
Milestones achieved to date

• Identified and co-located 64,179 I-9 forms that we are required to track:
  – Approximately 54,679 records are in I-9 Express
  – Approximately 9,500 historic paper documents were identified for review and possible remediation

• Established the Day One standard and updated all University hiring documents

• Spread awareness to support compliance with the new standard:
  – Held four meetings with HR Leads and I-9 administrators
  – Developed online training session plus reference guides and resources
  – Distributed communications, including:
    • 23 emails to chancellors, deans, vice presidents, HR Leads, and hiring managers
    • 500 posters across all campuses
    • 5 articles in student, faculty, and staff newsletters plus MyU
    • 4 new pages on the OHR website to centralize I-9 information and training resources
Lessons learned

• The importance of engaging senior leaders and HR directors in a compliance effort of this magnitude.

• We cannot over communicate the importance of full compliance to our University community.

• Our system is complex and the standards are rigorous.
Conclusion

• Near term:
  – Bring the community up to the Day One standard
  – Continue to emphasize training, communications, and culture change.
  – Pursue remediation of our historic records as appropriate

• Long term:
  – Fully establish a culture of compliance on Day One across the institution
AGENDA ITEM: Institutional Risk Profile: Campus Safety and Crisis Response

☐ Review ☐ Review + Action ☐ Action ☒ Discussion

This is a report required by Board policy.

PRESENTERS: Michael Berthelsen, Vice President, University Services
Matt Kramer, Vice President, University Relations

PURPOSE & KEY POINTS

The purpose of this item is to review the Institutional Risk Profile that was finalized and presented to the Board in June 2018 and to affirm that it continues to reflect the current risk landscape of the University. The committee will also review risk mitigation plans for Campus Safety and Crisis Response.

Institutional Risk Profile

The institutional risk profile is used to identify the greatest risks at a governance level. The current risk profile lists 21 risks categorized into three primary areas:

1. Business Challenges – Issues that pose risk to the fundamental teaching, research, and outreach mission and the institution’s ability to maintain functionality.
2. Compliance – Issues that pose risk of failure to act in accordance with laws and regulations, institutional policies and procedures, or industry best practices.
3. Institutional Integrity – Issues that pose risk to the institution’s ability to live up to its core values.

Campus Safety

The University of Minnesota is committed to the safety and security of its students, faculty and staff and takes a systematic approach to preparing for, responding to, and recovering from major incidents. While all risks cannot be avoided all the time, especially in a place as large and complex as the University, some can be prevented, and most can be managed in ways that minimize their impacts.

The Department of Emergency Management (DEM) is tasked with oversight of emergency operations plans for all University campuses and facilities statewide and prepares for emergencies ranging from terrorism to chemical, radiological, and biological spills to fires, medical emergencies, and natural disasters. All major University departments have roles in various emergencies, and
DEM supports these by providing the planning, training, and exercises to develop the skills, knowledge, and resources necessary to meet the challenges posed by natural and human caused emergencies and disasters. DEM works in collaboration with internal and external partners at all phases of planning, preparing, responding, and recovery. In addition, the University of Minnesota Emergency Medical Services (UMEMS) provides Basic Life Support coverage at University sponsored events, continuing education, EMS courses, and emergency management assistance.

The Academic Health Center Office of Emergency Response (AHC-OER) has system-wide responsibilities. AHC-OER works to ensure health incidents and emergencies affecting the University community are addressed in a timely, efficient, and effective manner utilizing resources and expertise available both internal and external to the University. In addition, the office coordinates and organizes campus resources to assist community partners during local, state, or national health emergencies, and in so doing, provide unique educational and experiential opportunities for students, staff, and faculty. AHC-OER ensures incident response efforts impacting the clinical and health science research enterprises are well informed and coordinated to minimize disruption to essential operations.

University Health and Safety (UHS) is focused on many campus safety issues. From food, water, and air quality to research, lab, and biosafety, UHS works to foster a culture of safety throughout the University in order to help avoid risks at the most local level. By utilizing a service partner model, UHS builds relationships and drives continuous improvement through initiatives such as the safety committee network, the safety committee chairs’ forum, safety officers, and joint safety teams. A key partner of UHS is the office of Risk Management. In addition to education, the team's work includes auditing inspections, incident investigation, complaint response, training resource, written programs, and general consulting. One effective tool is the risk management safety fund. When UHS identifies equipment that poses a potential safety risk, and additional dollars are required to repair, replace, or refit, a request can be made for supporting funds. This is especially helpful in addressing issues that might otherwise be financially burdensome on local units.

Preparation means anticipating the risks, threats, and crises of the future. Emerging infectious diseases, new natural hazards resulting from changes in the climate, hazardous materials, and new political movements that use violence as a tool are threats which require this work to be ever changing and ever ready. In response, the University has adopted an all-hazards approach and a commitment to continuous improvement, evaluation, evolution, and advancement. The University has adopted the National Incident Management System (NIMS) which provides a common response framework for five mission areas: prevention, protection, mitigation, response, and recovery. NIMS is the basis for the Incident Command System (ICS), which is the framework that is used to respond to emergencies.

There are three levels of emergency plans at the University of Minnesota:

1. Emergency Operations Plan (EOP) – The Emergency Operations Plan is the overall plan that guides University administrators in the event of an emergency. The University is required by the state Homeland Security and Emergency Management agency to have an Emergency Operations Plan. EOP’s are done system-wide. These plans are updated regularly.

2. Continuity of Operations Plan (COOP) – COOP outlines the steps critical operating units must take to keep their department running in the event of an emergency. Departments that
are deemed "critical operating units" must complete COOP, per the University's Continuity of Operations Planning policy.

3. Building Emergency Plans (BEP) - Each building on campus should have a Building Emergency Plan. The plan outlines evacuation procedures and other emergency instructions. In order to complete the plan, each building should identify one representative from each department located in the building to participate in a working group that will complete the plan template.

A critical tool in any emergency is effective communication. The University presently has four notification systems for the campus community:

1. Safe-U – Safe-U is a program that has been a part of emergency communications at the University since 2007. It is the emergency notification system that can reach individuals through text, phone, and email, and is one of several ways the University system provides emergency information to faculty, staff, and students systemwide.

2. Campus-Wide Emergency Alert System – The Crookston, Duluth, Morris, and Twin Cities campuses each have an outdoor warning system that transmits verbal warnings and instructions in an emergency. It also has siren sound capability used for severe weather, which is tested the first Wednesday of every month.

3. Tone Alert Radios (TARs) – TARs are strategically placed throughout campus to add another layer of alert coverage. The Public Safety Emergency Communications Center (PSECC) will activate the radios when there is urgent information that needs to be transmitted (e.g. severe weather, building evacuation). TARs also provide emergency notification that can received in areas that are out of cellular service.

4. Fire Panel Annunciation – As fire alarm systems are upgraded, an annunciation capability that can be set off by the Public Safety Emergency Communications Center (PSECC) in case of an emergency is being added. The system allows the fire alert system to communicate the source of the emergency, which will allow for a quicker and more efficient response. The panels in use at the University also help control emergency communications systems where they are installed.

Crisis Response

University Relations manages the communications response in a crisis situation. Staff coordinate with all affected parties and follow national protocols in defining level of media response, chief spokesperson, and full use of available communication channels to update various audiences (internal and external). The nature of each crisis varies and will determine the level of response, up to and including full staffing by University Relations of the Emergency Operations Center.
Institutional Risk Profile / Mitigation Plan
2017–18

Institutional Risk:
Campus Safety, Climate and Free Speech

Risk Category:
Institutional Integrity

Responsible Senior Leader:
Executive Vice President and Provost Karen Hanson

Other Responsible Units:
Chancellors and Deans; Academic Health Center; University Services; Equity and Diversity; University Relations

Introduction (why a risk?)

- Our university is and must be a place where people can explore ideas, engage in vigorous debate, thoughtfully discuss issues, and learn from one another’s perspectives
- We have a responsibility to ensure an open, inclusive, and nonthreatening environment for education, research, and dialogue—for our students, faculty, staff, visitors, and the public
- Global, national, and local issues and policies affect our campuses and campus life
- Many wide-ranging activities and events—curricular, co-curricular, and public—take place every day across our large and decentralized system of five campuses
- Events may bring logistical, managerial, or safety/security challenges that must be balanced and managed alongside our foundational commitments to the free exchange of ideas and to creating and sustaining a welcoming and inclusive climate across our campuses

Risk Mitigation Strategies

- Continue campus climate initiatives to engage faculty, staff, and students and sustain welcoming and inclusive campus environments
- Share campus training practices and, when appropriate, resources, and develop specific campus-based protocols to respond to problems and ensure safety and security
- Leverage resources and expertise across the University to plan, support, and manage events that may pose special logistical, managerial, or safety/security challenges
- Maintain ongoing initiatives to monitor global, national, and local issues and policies and remain attentive to dynamics of activism and protest in campus and community contexts
- Maintain policies and protocols to ensure that we are collaborative, fair, and consistent in working with all student groups and event organizers, true to our mission and values
Institutional Risk Profile / Mitigation Plan
2017-18

Institutional Risk:
Crisis Management

Risk Category:
Institutional Integrity

Responsible Senior Leader:
Matt Kramer

Other Responsible Units:
President/ Deans/Chancellors across the System

Introduction (why a risk?)

- A crisis mishandled can dramatically, broadly and quickly diminish reputation
- Crisis Management is a skill set, like any other, that requires specific competencies. Not all professionals have the skill set to manage and respond accordingly
- Identifying and discerning the difference between a real crisis, and merely an important issue, is key to managing institutional risk and allocation of limited resources
- The demand by stakeholders for information in a real crisis can quickly overwhelm an organization resulting in the stakeholders “inventing” their own information to the organization’s detriment

Risk Mitigation Strategies

- Maximize the use of the “Issues Management” team, training and processes to anticipate and respond to risks
- Regular exercises to involve UR and U of MN partners in responding to crisis management from a PR/Marketing perspective
- Quick and accurate assessment of a crisis as being routine (not unimportant, but manageable) versus unique/novel requiring additional resources and approaches
  - Ongoing training and risk assessment of issues to separate the two
- Creation of an immediate crisis response team to manage all stakeholders (internal and external)
  - Importance of disciplined approach to crisis management to ensure consistency in communication and media engagement
Institutional Risk Profile: Campus Safety and Crisis Response

Michael Berthelsen, Vice President
Matt Kramer, Vice President

Audit & Compliance Committee

October 11, 2018
Planning and Preparation

• Safety is a shared responsibility
• Systematic approach to preparing for, responding to, and recovering from major emergencies
• All risks and incidents cannot be avoided at all times
  – some can be prevented
  – most can be managed in ways that minimize their impact
Campus Safety and Crisis Response

Risk Mitigation → Incident Management → Operational Continuity
Risk Mitigation:
Planning, Implementation, and Progress Monitoring.
Preparation and Training

- Police and Emergency Management staff training
- Training for campus leaders and responders
- Lab safety teams
- Medical Reserve Corps
- Emergency medical service
Infrastructure

• Cameras
• Electronic door locks
• Safe-U alerts
• Tone alert radios
• Outdoor emergency alert system
• Campus digital signage
• Fire panel annunciation
Emergency Preparedness

- Emergency Management Policy Committee
- National Incident Management System
- All-hazards unified command
- Emergency Operations Plan
- Health emergency response
- All-hazards mitigation plans
- Continuity of operations plans
- Building emergency plans
Active Exercises

• More than three dozen major training exercises system-wide since 2013
  – active threat training
  – chemical spill
  – protest
  – train derailment
  – BSL 3 Lab
  – full-scale functional exercises with partner agencies
Health and Safety Initiatives

- Chemical inventory system
- Electronic safety notifications
- Fall protection guidelines
- Lab chemical clean-outs
- Smart Labs energy conservation
- Training tracker
Clery Act Compliance

- Dedicated staff member in OGC
- Annual campus security reports
- Required annual training
- Tabletop exercises
- Campus Security Authorities
- Timely Warnings
- Daily crime logs
Incident Management:
Facilities, equipment, personnel, procedures, and communications operating within a common organizational structure.
Emergency Operations Plan

• Protect life and property
• Secure critical infrastructure and facilities
• Resume teaching and research programs
Emergency Operations Center

- Uses Incident Command Structure for larger, long term incidents
- Serves as support for on-scene responders / commander
- Serves as a multi-agency coordination center
Health Incident Response

• Health emergency response
• Pandemic influenza response
• Regional/campus dispensing sites
• BSL-3 lab response and communications
• Mass casualty victim and community assistance
• Bacterial meningitis response
Multiple jurisdictions require coordination

- **35W**
  - Primary: Minnesota State Patrol
  - Secondary: Minneapolis Police

- **Mississippi River**
  - Primary: Hennepin County Sheriff’s Office
  - Secondary: Minneapolis Park Police

- **University of Minnesota**
  - Primary: U of M Police
  - Secondary: Minneapolis Police

- **West River Road**
  - Primary: Minneapolis Park Police
  - Secondary: Minneapolis Police

- **Rail Yard**
  - Primary: BNSF Police
  - Secondary: Minneapolis Police

- **Second Street, SE**
  - Primary: Minneapolis Police
Operational Continuity:
Ensure that primary mission essential functions continue to be performed during a wide range of emergencies.
Critical Units

• A critical unit/service is one without which the University cannot operate its basic level of service
  • Utilities - Facilities Management
  • Housing - Residential Life
  • 911 Service and response - University of Minnesota Police

• A COOP is an essential function of all “critical” units
The Issue Spectrum

Novelty

Normal Crisis  Catastrophe  Routine  True

May impact reputation  Career/organization defining
Novelty

- Risky
- Uncertainty
- Rapid
- Costly
- Surprise
- Capacities
Novelty

Scale
Unprecedented Complexity
Set Real Expectations

Effective crisis response:
Good enough decision
Timely
Understood
Carried out **B+**
Diversify Information Sources

- Policymakers
- Communications
- Faculty and staff
- Student leadership
- Facilities Management
- Social Media Monitoring
- Emergency responders
- Other stakeholders
Focus on Capabilities

Use a Decision-Making Process

1. Establish values, goals, priorities
2. Establish situational awareness
3. Develop options
4. Predict the outcomes
5. Choose an option
6. Execute
7. Assess/evaluate
Practice Adaptive Leadership

VALUES

Honesty
Transparency
Trustworthiness
Respect
Integrate Stakeholders
Ensure Surge Capacity
What does this mean for us?

- Live out our values
- Determine if it’s a crisis
- Be on alert for novelty
- Build comfort in response methods
- Manage expectations
- Use the right methods, with the right messages, at the right time