



Audit & Compliance

October 2023

October 12, 2023

8:00 AM

Boardroom, McNamara Alumni Center

AUD - OCT 2023

1. Overview of Annual Financial Statements Review

Docket Item Summary - 3

Overview the Annual Financial Statement Review - 4

2. Safety Training Process Updates

Docket Item Summary - 6

Presentation Materials - 7

3. Amendments to the Office of Internal Audit Charter - Action

Docket Item Summary - 20

Internal Audit Charter Proposed Updates - 21

4. Internal Audit Update

Docket Item Summary - 25

Internal Audit Update Report - 26

5. Information Items

Docket Item Summary - 56



BOARD OF REGENTS DOCKET ITEM SUMMARY

Audit and Compliance

October 12, 2023

AGENDA ITEM: Overview of Annual Financial Statements Review

Review Review + Action Action Discussion

This is a report required by Board policy.

PRESENTERS: Mollie Viola, Controller
Michael Volna, Associate Vice President, Finance & Assistant CFO

PURPOSE & KEY POINTS

The purpose of this item is to provide the committee with an overview of the annual financial statements review process. The item will prepare committee members for the October review of the FY 2023 financial statements prior to final issuance.

BACKGROUND INFORMATION

Advance review of the financial statements is required by Board of Regents Policy: *Board Operations and Agenda Guidelines*, Section IV, Subd. 4:

(c) Review of Annual Financial Report. The Audit & Compliance Committee shall review, in advance of final issuance, the proposed formats and wordings of the annual financial report, including the management's discussion and analysis, financial statements, footnotes, statistics, and disclosures.

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
AUDIT & COMPLIANCE COMMITTEE**

**OVERVIEW OF ANNUAL FINANCIAL STATEMENTS REVIEW
OCTOBER 12, 2023**

Background

As a result of the Sarbanes-Oxley Act of 2002, the Audit Committee received a series of briefings and presentations on the Sarbanes-Oxley Act of 2002 in fiscal years 2002 & 2003. A series of “best practices” were recommended and adopted by the Audit Committee including reading of the financial statements for inconsistencies with your own knowledge prior to issuance to the public.

Per the *Board Operations and Agenda Guidelines, Section IV, Committees of the Board, Subd. 4, Audit & Compliance Committee Charter, Specific duties of the Audit & Compliance Committee* includes:

- (c) Review of the Annual Financial Report. The Audit & Compliance Committee shall review, in advance of final issuance, the proposed formats and wordings of the annual financial report, including the management's discussion and analysis, financial statements, footnotes, statistics, and disclosures.

Audit & Compliance Committee Member FY23 Annual Report Timeline

| Task | Date |
|--|-----------------------------|
| Overview of Review of Annual Financial Statements | Thursday, October 12, 2023 |
| Draft Finalized Annual Report for review | Friday, October 20, 2023 |
| Meeting/call with Audit & Compliance Committee Chair & Vice Chair to address any outstanding questions or comments | Wednesday, October 25, 2022 |
| Audit Sign-off & Report Issuance | Thursday, October 26, 2022 |

Draft Finalized Annual Report for review – this review process is intended to support the Audit and Compliance Committee’s oversight responsibilities by providing an opportunity to ensure that all material information in the report is consistent with the information received and/or acted upon in your capacity as members of the Audit and Compliance Committee. Recommendations for targeted review will be provided and specific financial impacts highlighted.

The report is **Draft – Subject to Audit Completion**. Deloitte plans to sign off on the annual report Thursday, October 26, 2023. To ensure that the Audit & Compliance Committee review is completed within the audit deadlines, questions or comments about the report should be directed to Regent Farnsworth, the University Controller, or Director of Accounting Services at any time prior to the meeting/call with the Audit & Compliance Committee Chair & Vice Chair.

There are three major report sections:

- Management’s Discussion and Analysis (MD&A) is typically about 15-20 pages in length. This is management’s opportunity to provide a narrative explanation of the financial statements that enables readers to understand the University mission and priorities via the financial statements and to provide the context within which financial information should be analyzed.
- The consolidated financial statements for the University (& RUMINCO) and significant component units (UMF & UMP) is typically 7-8 pages in length and include:
 - The Consolidated Statements of Net Position
 - The Consolidated Statements of Revenues, Expenses, and Changes in Net Position
 - The Consolidated Statement of Cash Flows
 - The Statement of Fiduciary Net Position
 - The Statement of Changes in Fiduciary Net Position
- Footnotes are typically 50-55 pages in length. There are 16 footnotes, all providing the reader detailed information about specific sections of the financial statements. What is required as content in the various footnotes is defined by Governmental Accounting Standards Board (GASB).

Meeting/call with Audit & Compliance Committee Chair & Vice Chair – limited to Chair & Vice Chair, discussion on any feedback received and confirmation that there are no concerns related to finalizing and issuing the report.

Audit Sign-off & Report Issuance – report is provided to the State of Minnesota and parts of the report are relied upon for other institutional reports (SEFA, NCAA and other Compliance reports). The report is released publically after the December Board meeting. The finalized annual report is typically provided to the full Board at the December Board meeting.



BOARD OF REGENTS DOCKET ITEM SUMMARY

Audit & Compliance

October 12, 2023

AGENDA ITEM: Safety Training Process Updates

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Katharine Bonneson, Associate Vice President, Health, Safety, and Risk Management

PURPOSE & KEY POINTS

The purpose of this item is to update the committee on efforts to improve the coordination and oversight of University safety training in response to an Internal Audit report finding. Health, Safety, and Risk Management (HSRM) is responsible for providing safety training for University staff, faculty, and students. Areas to be discussed will include information on why remediation has exceeded two years, what work has been completed to date, and a broader discussion of the approach being used.

BACKGROUND INFORMATION

The 2019 Internal Audit of University Health and Safety (now known as HSRM) identified an essential finding involving the assigning, tracking, and monitoring of safety training. Remediation of this item is still in progress, which has been reported to the committee as part of regular Internal Audit Updates since remediation exceeded two years.

Safety Training Process Updates

October 12, 2023



HEALTH, SAFETY,
AND RISK MANAGEMENT

UNIVERSITY OF MINNESOTA

Page 7 of 56

Safety Training

Health, Safety, and Risk Management (HSRM) is the primary provider of safety training for the University community. Training courses include subjects such as;

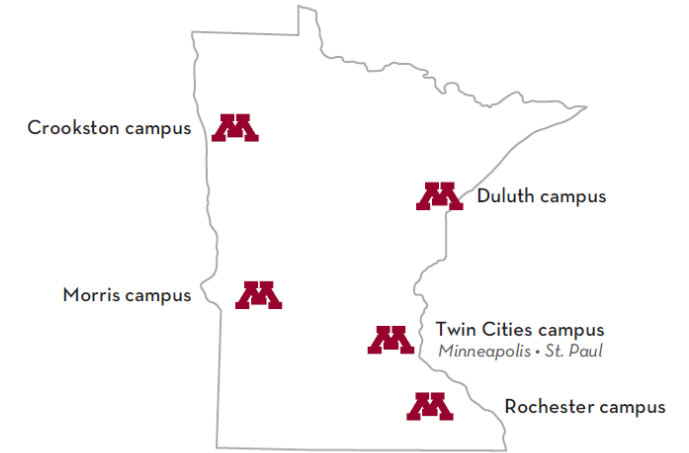
- Biological Safety in Laboratories
- Chemical Safety
- Personal protective equipment (PPE)
- Radiation Safety
- Building Emergency Response
- Slips, Trips and Falls



Safety Training

By the Numbers...

- HSRM tracked **48,846** course completions in FY23
- HSRM hosts over **71** unique courses
- Course modality spans from in-person to online to hybrid
- All training is designed to serve the entire University system and to meet local, state and federal compliance requirements or to provide education to support a safer workplace



The Audit Finding

The Office of Internal Audit formally audited HSRM in 2019. One of the essential findings focused on the compliance of safety training, specifically;

Recommendation: 2a HSRM and University management should consider establishing HSRM as the central authority for University safety training. The central health and safety training authority would be responsible for:

- *Ensuring an accurate & complete course listing*
- *Tracking course completion and follow-up centrally*
- *Reviewing and approving the University safety training program periodically to ensure sufficient coverage and oversight.*

Why This Finding is Still 'In Progress'

No centralized training system: The University does not work from a unified platform for employee training. Training Hub is a popular option, but schools and colleges use their own systems as needed.

Currently, there is no standardized method to flag or identify which employees require what training.

Additionally, once employee training needs are identified, there is no standardized process for tracking, monitoring and following up on training completion. That would need to be developed.

Safety training requirements can change annually based upon state, federal and other guidelines. Maintaining current, value-added training can be a challenge with a small department.



Safety Training - Current Status

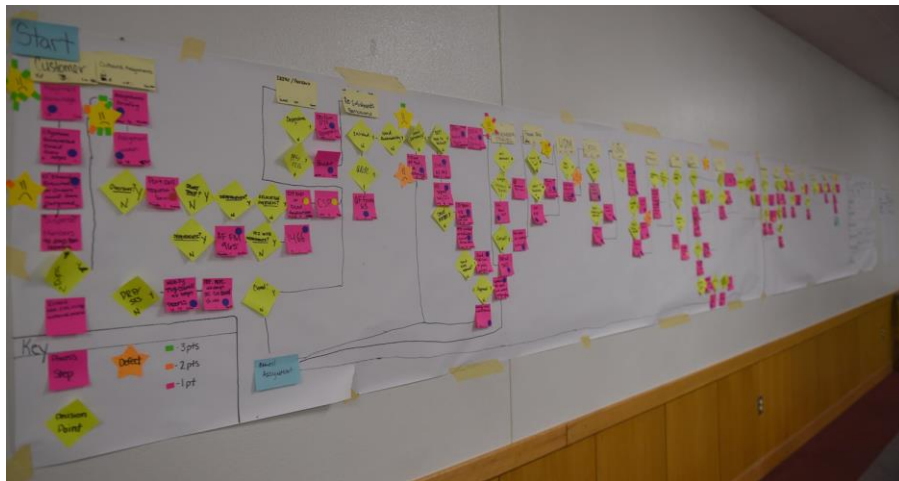
HSRM kicked off a Safety Training Centralization & Monitoring project in January 2023.

Project scope was defined as:

- Verifying the current offering of general required safety courses provided by HSRM. **COMPLETE**
- Identifying who needs required safety training and ensuring that we are communicating this appropriately. **IN PROCESS**
- Identifying pain points and improvement opportunities. **COMPLETE**
- Ensuring that safety training materials are current, meet regulatory guidelines and University requirements. **IN PROCESS**



Training Improvement Opportunities



1. Being able to identify who should take required safety training. Currently, HSRM can run reports on who has taken training, but we cannot compare that information to a list of who needs training.
2. Improving the quality of our training program. Through this project, we will ensure that our safety training content is current, value-added, and reflective of University policies and values and meet all regulatory requirements and best practices based on our work scope at the University.

Solution Part 1

Improve how we identify who needs training by creating a Safety Training Needs Assessment to be completed by all supervisors of new and transferred employees. Future employees could be auto enrolled into Safety Training based on the responses to the Needs Assessment questions. New and transferred employees will be identified using the New Hire & Transfer report in PeopleSoft.

The Safety Training Needs Assessment will be developed by Health Sciences Technology (HST) using existing code for the [Clinical & Translational Science Institute \(CTSI\) Training Tool](#).

Human Research Training: *Your Customized Training Plan*

Welcome

This resource helps you identify and track all the required and optional training opportunities that will support your work as a human research professional at the University of Minnesota.

First, create a training Roadmap

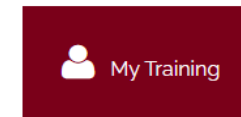
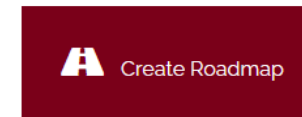
Use this interactive mapping tool to prescribe a curriculum of required and optional human research training courses customized specifically to you. The **Roadmap** will prescribe training based on your research role, responsibilities and tasks, and type of studies you are engaged in.



Next, view your customized training plan

You can see your customized training plan of required and supplemental courses in **My Training**.

Go to **View Courses** to learn the details about each course in your customized training plan.



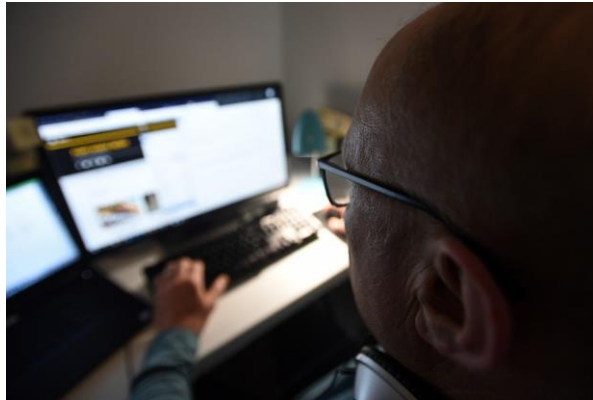
Solution Part 2 (Parallel Paths)



Review current safety training inventory and content. Verify that our current training is compliant with all state and federal requirements.

HSRM issued an RFP in September 2023 for a safety training review. Any gaps in content, frequency and modality will be addressed concurrently with the build out of our new training assignment tools.

Project Implications



This project is a pilot for determining how a broader University-wide training system could work.

- Down the road, a similar process could assign training in a uniform way for safety, data security and management, finance, etc. training. All of this could potentially be managed from a unified system, subject matter experts would still develop content as appropriate.
- Scalability will be evaluated as a follow up action item for this project.
- Data collection and analysis will be key to help inform future decisions.
- Minimum goal is to meet the intent of the original audit findings which require the assignment, monitoring and reporting of safety training.



Partnerships

- Office of Human Resources - close partnership with OHR on data use and management within PeopleSoft and development of employee procedures and protocols (as needed) for training completion.
- Office of Information Technology - provide support of broader University wide platforms and support responsible data management practices and work collaboratively on appropriate technology solutions.
- Senior Leadership - support compliance and full participation in this program implementation process.



Timeline and Cost



Cost: Current work is being conducted in-house. Estimating \$50K for tool development project, vendor is in-house.



Questions?





BOARD OF REGENTS DOCKET ITEM SUMMARY

Audit & Compliance

October 12, 2023

AGENDA ITEM: Amendments to the Office of Internal Audit Charter

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Quinn Gaalswyk, Chief Auditor

PURPOSE & KEY POINTS

The purpose of this item is to act on the proposed amendments to the Office of Internal Audit Charter (charter). No changes have been made to the proposed amendments since the committee reviewed them at the September 2023 meeting.

The charter establishes the purpose, authority, responsibilities, reporting, and independence for the Office of Internal Audit (OIA). The committee is responsible for periodically reviewing the charter as part of its oversight of the internal audit function and any amendments to the charter require Board approval.

The proposed amendments provide additional clarity and seek to ensure ongoing alignment with professional standards, guidance, and Board of Regent Policy: *Reservation and Delegation of Authority*.

BACKGROUND INFORMATION

The Office of Internal Audit Charter was last updated in September 2019.

Amendments were adopted by the Board in October 2021 to Article I, Section X and Article II, Section V of Board of Regents Policy: *Reservation and Delegation of Authority* related to the Chief Auditor’s reporting lines and notification requirements. These changes are reflected in the proposed updates to the charter. Article I, Section X. Audit Function: “The Board reserves to itself authority to adopt policies regulating the audit function; approve selection of independent auditors and the chief auditor; and evaluate the performance of the independent auditor and the chief auditor.”

Audit Charter ~~HARTER~~

Mission and Scope of Work

The purpose of the Office of Internal Audit is to provide independent, objective assurance and advisory services designed to add value and improve the operations of the University of Minnesota. The mission of the Office of Internal Audit is to enhance and protect organizational value by providing stakeholders with risk-based and objective assurance, advice, and insight. It helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The scope of work of the Office of Internal Audit is to determine whether the University of Minnesota's network system of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed to optimize the achievement of institutional strategic objectives.
- Governance processes provide sufficient oversight and direction and are coordinated where necessary. Interaction between governance groups occurs as needed.
- Important financial, managerial, and operating information is accurate, reliable, and timely.
- ~~The results of Operations or programs~~ are consistent with established goals and objectives and are carried out effectively and efficiently.
- Employees' actions ~~are in compliance~~ comply with policies, standards, procedures, and applicable laws and regulations.
- Resources and assets are acquired economically, used efficiently, and protected adequately.
- Quality and continuous improvement are fostered in the University's control processes.
- Significant legislative or regulatory issues impacting the University are recognized and addressed appropriately.

The Office of Internal Audit considers risks broadly and includes within its scope all activity posing financial, operational, technological, regulatory or reputational risk to the University. Opportunities for improving management control, efficiency and the University's image may be identified during audits. They will be communicated to the appropriate level of management.

Accountability

The Chief Auditor, in the discharge of his/her duties, is accountable per Board of Regents policy to the Board of Regents Audit & Compliance Committee and the Chair of the Board of Regents ~~the President~~ to:

- Provide assessments on the adequacy and effectiveness of the University's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.

- Report significant issues relating to the processes for controlling University activities including potential improvements to those processes.
- Report the acceptance of risk by the administration, as appropriate.
- Provide information concerning outstanding issues through their resolution.
- Periodically provide information on the status and results of the annual audit plan and the sufficiency of department resources.
- Coordinate efforts with other control and monitoring functions (e.g., compliance, security, legal environmental, external auditors, etc.).

Independence

_____To provide for the independence of the Office of Internal Audit, the Board of Regents delegates directly to the Chief Auditor the authorities necessary to perform the duties set forth in the mission and scope of work. The Chief Auditor will have full and free access to the Board of Regents leadership and Audit & Compliance Committee.

Additionally, the Chief Auditor's ~~is delegated~~ administrative and operational authorities are directly delegated and overseen by the Board of Regents.

In addition to audit activities identified by the Chief Auditor or requested by the Audit & Compliance Committee, the Office of Internal Audit may perform audit assurance and advisory services in alignment with the department's mission and scope of work requested by the University's President including the Chief Auditor serving on the President's cabinet by invitation.~~of the University.~~

The Office of Internal Audit is to be free from undue influence in the selection of activities to be examined, the audit techniques and procedures to be used, and the reporting of its results.

Responsibility

The Chief Auditor and staff of the Office of Internal Audit are responsible for:

- Developing a flexible annual audit plan using an appropriate risk based methodology, including any risks or control concerns identified by management, and submitting that plan to the Audit & Compliance Committee for review and concurrence, as well as providing periodic updates as to the status of and/or changes to the plan.
- Implementing the annual audit plan, as approved, including any special tasks or projects requested by management and the Audit & Compliance Committee.
- Following up on engagement findings and corrective actions, and report periodically to the President and the Audit & Compliance Committee any corrective actions not effectively implemented.
- Maintaining a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- Disclosing any impairment of audit independence or objectivity, in fact or appearance, to appropriate parties.

- Maintaining an ongoing audit quality assurance and improvement program that covers all aspects of the internal audit function, which promotes the continuous improvement of the internal audit practice and includes periodic assessment by independent external resources.
- Considering the scope of, and placing reliance on, the work of the external auditors, regulators, and internal oversight units as appropriate, for the purpose of providing optimal audit coverage to the University at a reasonable overall cost.
- Issuing periodic reports to the Audit & Compliance Committee and management summarizing results of audit activities.
- Keeping the Audit & Compliance Committee informed of emerging trends and successful practices in internal auditing.
- Conducting investigations of allegations of financial and operational misconduct.
- Notifying the Board of any matter that significantly involves the authority and role of the Board, including its fiduciary, oversight, and public accountability responsibilities, or if it raises unusual questions of public interest or public policy, has significant impact on the University's mission, or poses a significant risk to the University.

Reporting

The Chief Auditor will report periodically to the President, the Chair of the Board of Regents, and the Audit & Compliance Committee regarding:

- The Office of Internal Audit's purpose, authority, and responsibility.
- The Office of Internal Audit's plan and performance relative to its plan.
- The Office of Internal Audit's conformance with the Institute of Internal Auditor's Code of Ethics and **Standards**, and any actions to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Audit & Compliance Committee.
- Results of audit engagements and other audit activities.
- Resource requirements.
- The acceptance of risk by leadership.

Authority

The Chief Auditor and staff of the Office of Internal Audit are authorized to:

- Have unrestricted access to all University functions, records, property, and personnel, subject to state and federal law and accountability for confidentiality and safeguarding of records and information.
- Allocate departmental resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives, and report content without subordinating their judgment on audit matters to others.
- Obtain the necessary assistance of personnel in units of the University where they perform audits, as well as other specialized services from within or outside the institution.

The Chief Auditor and staff of the Office of Internal Audit are not authorized to:

- Perform any operational duties for the University.
- Initiate or approve accounting transactions external to the Office of Internal Audit.
- Direct activities of any University employee not employed by the Office of Internal Audit, except to the extent such employees have been appropriately assigned to audit teams or to otherwise assist the internal auditors.

Standards of Audit Practice

The Office of Internal Audit will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, The Code of Ethics, the ***International Standards for the Professional Practice of Internal Auditing***, and the Definition of Internal Auditing. The Chief Auditor will report periodically to senior leadership and the Audit & Compliance Committee regarding the Office's conformance to the Code of Ethics and the *Standards*.

Board of Regents Chair

Audit & Compliance Committee Chair

President

Chief Auditor

Dated _____



BOARD OF REGENTS DOCKET ITEM SUMMARY

Audit & Compliance

October 12, 2023

AGENDA ITEM: Internal Audit Update

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Quinn Gaalswyk, Chief Auditor

PURPOSE & KEY POINTS

The purpose of this item is to update the Audit & Compliance Committee on Internal Audit activities, results, and observations to help the committee fulfill its fiduciary responsibilities under the Board’s reserved authority for oversight of the internal audit function.

- Since the last update at the June 2023 meeting, 38 percent of the outstanding recommendations rated as “essential” were resolved by University departments. This is slightly lower than our expected implementation rate of 40 percent, but a slight increase from June’s 35 percent rate. Approximately 28 percent of the outstanding items are from more recent audits receiving first time follow-up. Of the unresolved outstanding recommendations rated as “essential,” 55 percent are past due. Senior leadership is aware of this slightly lower implementation rate and continues to monitor and seek ways to expedite remediation efforts.
- All outstanding “essential” recommendations were resolved for five audits.
- Ten “essential” items identified in five audits have remained open for more than two years; additional details on these items and the status of their remediation are provided.
- An updated control evaluation chart is included for each audit to show progress made on remediation of “essential” items.
- Seven audit reports containing 26 recommendations rated as “essential” were issued in the last four months.
- Other summary information important to the committee for their oversight of the internal audit function is also included.

BACKGROUND INFORMATION

This report is prepared three times per year and is presented to the Audit & Compliance Committee as required by Board of Regents Policy: *Board Operations and Agenda Guidelines*, Section IV, Subd. 4. Audit & Compliance Committee Charter.

Internal Audit Update

University of Minnesota Regents Audit and Compliance Committee
October 12, 2023

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 2023
- Recommendations with Remediation Plans that Involve PEAK

Details for any of the items in this report are available on request. Individual reports were sent to the President, SVP for Finance and Operations, Provost, UMTC Athletic Director, Vice Presidents, and Chancellors about the items in this report germane to their areas.

Audit Observations/Information

Status of Critical Measures

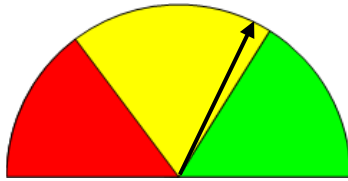
As part of our ongoing efforts to provide the Audit and Compliance Committee with critical information in as concise a format as possible, we have developed the following charts to present a quick overview of work performed by the Office of Internal Audit.

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 report.

The second chart, entitled “Progress on Audit Plan and Other Assurance Work” is our assessment of the amount of time we have been able to devote to planned audit work. This assessment includes our progress on completion of carryover audits from FY 2023, Tier 1 audits on the FY 2024 audit plan, and Tier 2 audits or their substitutes. Readings less than green could be influenced by a variety of factors (e.g., insufficient staff resources; or increased time spent on non-scheduled audits or investigations).

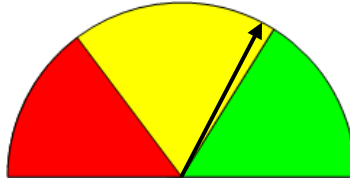
The final chart, “Time Spent on Non-Scheduled Audit Activities,” provides a status report on the amount of time consumed by investigative activities, special projects, and other management requests. We estimate a budget for this type of work, and the chart will indicate whether we expect that budget 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.

Essential Recommendation Implementation



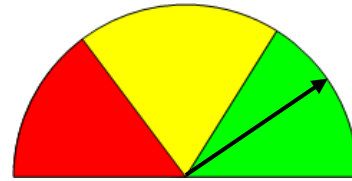
Implementation rates were 38% for the period; slightly lower than our expected rate of 40% and a slight increase from June's 35% rate.¹

Progress on Audit Plan & Other Assurance Work



Progress on audit plan and assurance audit work is somewhat behind expectations.²

Time Spent on Non-Scheduled Audit Activities



Time spent on investigations, special projects and management requests is less than expected and budgeted for the year to date.

¹Approximately 28% of the outstanding items are from more recent audits receiving first time follow-up, and 55% of the outstanding issues are past management's planned remediation date.

²We are trending slightly behind our original audit plan schedule due to some carryforward audits taking longer than expected and staff turnover and hiring. However, we have now hired all but one of our open positions and we still expect to complete the audit plan at this time.

Other items:

The Office of Internal Audit onboarded two new financial auditors in the last month. We currently have one vacant financial auditor position. When fully staffed we have 16 auditors in addition to the Chief Auditor.

Status of Essential Recommendations

| Report# | Audit Name | Open Recs - Past Due | Number of Essential Recs (Report) | Status (Follow-up Period) | Status Legend | | |
|---------|--|----------------------|-----------------------------------|---------------------------|---------------|-------------|----------|
| | | | | | Past Due | On-Schedule | Complete |
| 1919 | UMD Fine Arts, School of FY19 | 1 | 7 | Partially Implemented | 1 | | |
| 2106 | University Health & Safety FY21 | 1 | 10 | Partially Implemented | 1 | | |
| 2127 | UMD HR FY21 | 2 | 4 | Not Implemented | 1 | | |
| | | | | Partially Implemented | 1 | | |
| 2205 | Dentistry, School of FY22 | 5 | 27 | Partially Implemented | 5 | | |
| 2207 | Canvas & Unizin FY22 | 1 | 5 | Completed | 1 | | |
| | | | | Partially Implemented | 1 | | |
| 2220 | UMD Health Services FY22 | 1 | 10 | Completed | 1 | | |
| | | | | Not Implemented | 1 | | |
| 2301 | Energy Management FY23 | 3 | 19 | Completed | 5 | | |
| | | | | Not Implemented | 1 | | |
| | | | | Partially Implemented | 3 | 2 | |
| 2302 | Real Estate Office FY23 | 0 | 2 | Completed | 1 | | |
| 2303 | Systemwide Student Disability Resources FY23 | 1 | 1 | Partially Implemented | 1 | | |
| 2305 | Veterinary Medical Center FY23 | 2 | 12 | Completed | 2 | | |
| | | | | Not Implemented | 1 | | |
| | | | | Partially Implemented | 2 | 2 | |
| 2307 | Research Animal Resources FY23 | 2 | 3 | Completed | 1 | | |
| | | | | Partially Implemented | 2 | | |
| 2308 | Genomics Center, University of Minnesota FY23 | 0 | 6 | Completed | 3 | | |
| 2312 | CUHCC FY23 | 1 | 12 | Completed | 3 | | |
| | | | | Partially Implemented | 1 | | |
| 2313 | M&W Golf,W Gymnastics,W Tennis Compliance&Ops FY23 | 0 | 2 | Partially Implemented | 1 | | |
| 2314 | UMNTC Recreation & Wellness Center FY23 | 5 | 9 | Completed | 2 | | |
| | | | | Not Implemented | 3 | | |
| | | | | Partially Implemented | 2 | | |
| 2315 | UMD ITSS FY23 | 0 | 12 | Completed | 1 | | |
| | | | | Not Implemented | 6 | | |
| | | | | Partially Implemented | 5 | | |
| 2317 | Bell Museum FY23 | 2 | 12 | Completed | 4 | | |
| | | | | Not Implemented | 1 | 5 | |
| | | | | Partially Implemented | 1 | 1 | |
| 2318 | I-9 Temporary Process Compliance FY23 | 1 | 2 | Completed | 1 | | |
| | | | | Not Implemented | 1 | | |
| 2319 | Microbiology & Immunology FY23 | 0 | 3 | Completed | 3 | | |
| 2320 | Civil, Environmental & Geo-Engineering FY23 | 0 | 1 | Completed | 1 | | |
| 2321 | Hormel Institute FY23 | 1 | 7 | Completed | 4 | | |
| | | | | Partially Implemented | 1 | 2 | |
| 2322 | UMD Dining Services FY23 | 4 | 6 | Completed | 1 | | |
| | | | | Not Implemented | 2 | | |
| | | | | Partially Implemented | 2 | 1 | |
| 2323 | IonE FY23 | 0 | 2 | Completed | 2 | | |

Essential Recommendation Implementation Rates

| | Month / Year of Follow Up Report | | | | | | | | | | 3 Yr. Average |
|-------------------------------|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|
| | Current Period Oct. 2023 | Jun. 2023 | Feb. 2023 | Oct. 2022 | Jun. 2022 | Feb. 2022 | Oct. 2021 | Jun. 2021 | Feb. 2021 | Oct. 2020 | |
| Total Recommendations | 96 | 97 | 76 | 59 | 62 | 87 | 66 | 86 | 84 | 97 | - |
| Completed Recommendations | 36 | 34 | 14 | 26 | 18 | 28 | 24 | 34 | 23 | 39 | - |
| Implementation Rate | 38% | 35% | 18% | 44% | 29% | 32% | 36% | 40% | 27% | 40% | 34% |
| Open Recommendations Past Due | 55% | 40% | 48% | 45% | 41% | 42% | 76% | 62% | 54% | 47% | 51% |

Current Status of Recommendations Rated as "Essential" That Are Over Two Years Old and Are Not Fully Implemented

| Audit/Report Date | Status- Partially Implemented or Not Implemented | Responsible Administrator | Summary of the Issue/Risk Involved | Current Comments From Management |
|--|--|---------------------------|--|--|
| UMN Duluth Fine Arts March 2019 # of Items: 1 | Partially Implemented | Jeremy Youde | Tweed management should improve inventory and valuation records for its art collection. Specifically, Tweed should: <ul style="list-style-type: none"> · Complete the in-process physical inventory, including ensuring the records of art in the inventory database are accurate and complete. · Schedule and conduct periodic inventories and appraisals of the art collection. | UMD College of Arts, Humanities, and Social Sciences (CAHSS) (i.e., the college formed from the merger of UMD School of Fine Arts and UMD College of Liberal Arts) efforts to complete a physical inventory of the Tweed Museum's collections were initially hindered by a lack of resources and the COVID-19 pandemic, which created limitations associated with in-person work on campus and impacted the Tweed's ability to conduct an inventory. In 2022, the President's Office extended support to assist CAHSS in remediating this recommendation. Thereafter, with the assistance of a consultant, CAHSS developed a plan to complete the inventory of the Tweed Museum's collections. CAHSS is in the process of hiring three contractors, which will each lead a team of student employees working simultaneously to document, photograph, and catalog all items in the collections. This work is expected to begin in September 2023, and CAHSS anticipates it will take six to twelve months to complete. CAHSS is first focusing its efforts on completing the inventory and will subsequently develop a plan to value the items in the inventory. Although the Tweed remains without a permanent director, CAHSS is committed to completing this recommendation as soon as possible. |
| University Health and Safety Sept 2020 # of Items: 1 | Partially Implemented | Katharine Bonneson | UHS and University management should consider establishing UHS as the central authority for University safety training. The central health and safety training authority would be responsible for: <ul style="list-style-type: none"> · Ensuring an accurate and complete course listing. · Tracking course completion and follow-up centrally. · Reviewing and approving the University safety training program periodically to ensure sufficient coverage and oversight. | A Health Safety and Risk Management (HSRM) Safety Training Centralization Project was chartered in November 2022 and the project began in January 2023. Project scope has been defined as: <ul style="list-style-type: none"> -Verifying the current offering of general required safety courses provided by HSRM. -Identifying who needs required safety training and ensuring that we are communicating this appropriately. -Identifying pain points and improvement opportunities. -Implementing improvements for identifying who needs safety training and monitoring completion. <p>Additional scope was added to the project to include an audit by outside safety training vendor(s) for HSRM safety courses. An RFP was issued in September 2023. The outcome of the audit would be recommendations on how to make content current, enforceable and reflective of U of M policies and values and meet all regulatory requirements and best practices based on the work scope at UMN. The audit would also identify gaps in existing training offerings. The biggest gap and improvement opportunity is identifying who needs required safety training. HSRM can run reports and see who has taken the training, but cannot be certain that everyone who needs this training has taken it. The proposed solution is to work with Health Sciences (HST) developers to utilize their risk survey code for the Clinical & Translational Science Institute (CTSI) Training tool in order to create a risk survey that can be sent to managers of new or transferred employees. The answers to the questions will map to required training based on responses. HSRM is currently engaged with HST in designing an application that will help to identify and track completion of training, and this work is just beginning as of September 1, 2023. This solution may scale to other safety training on campus, but it will start with HSRM courses. Once there is a working survey, HSRM will work with OIT to automate enrollment.</p> <p>Implementing the proposed solution of creating a risk survey using HST developers to create a HSRM risk survey from existing code is dependent on their availability. It is possible HSRM could have a working survey by the end of December 2023. Timing for automatically enrolling users based on survey responses is unknown, but ideally, will be completed before the beginning of FY 25, depending on resource availability in OIT.</p> <p>Obstacles that could prevent progress include HSRM reliance on support and collaboration from multiple departments, including HST & OIT. Cost may also be a factor as HSRM will be paying for HST developers to create a risk survey for HSRM. HSRM is also paying for dedicated project management support in order to complete this work.</p> |

Collaborative Assessment Status Update

Below is an update provided by OIT management on steps taken to address risks identified in the June 2020 Identity and Access Management Collaborative Assessment. The last presentation to the Audit & Compliance Committee was provided in May 2023 and OIT management is scheduled to provide another update in May 2024, which will include their current assertions on the residual risk levels.

Identity and Access Management (IAM) Status Update:

Overview

In response to the 2020 Identity and Access Management (IAM) Collaborative assessment, the IAM department was established and charged with driving progress on the 25 IAM components identified within the assessment. Since that time, the IAM culture within the University has matured due to many forces, including the University's Positioned for Excellence, Alignment, and Knowledge (PEAK) initiative, programs such as Enterprise Data Management and Reporting (EDMR) process, fresh perspectives from new leadership across the institution, and the efforts of the IAM department. Despite these driving forces, there are institution-wide headwinds to acknowledge as progress is made.

Key Challenges

The primary challenge is a dependency on other programs. While the IAM department is accountable for delivering progress on the findings within the assessment, many, such as "Accountability, Roles & Responsibilities," requires significant collaboration with other departments to establish ownership of operational and technical aspects of University Information Technology systems. The PEAK initiative is a critical strategic enabler of progress on this issue, but PEAK is a considerable effort that will require substantial time to mature and scale.

The second key issue is that the component "IAM Team Staffing" impacts the performance of the IAM department for 17 of the 25 IAM components. Further, this is a challenge shared across the University well beyond the scope of the IAM collaborative assessment. While the collaborative assessment and PEAK are complementary, they will also compete for resources shared across both initiatives.

Progress

The IAM Program has delivered progress on reducing the risk associated with the components identified below. In addition, many of the operational risks are planned to be mitigated before the end of 2024 following the implementation of the foundational and planning work that is contained in the strategy and governance risk category.

Despite this current and planned progress, the University will continue to accept some identified IAM risk beyond the expected reporting period as a matter of normal business operation. These components are identified in the provided presentation. The risks associated with these components will be addressed through continuous process improvement in the same way that other information technology improvements occur as circumstances and technologies change.

Strategy and Technology Sustainability

To deliver on the IAM strategy of reducing its operational load, IAM has continued to deliver on the sunsetting of a legacy identity management system. This technology retirement is a critical step for moving to our newly acquired identity product. Once in place, this new solution will offer new architectures and features that will enable a more cogent IAM ecosystem that will provide the foundational capabilities needed to address the collaborative assessment in a sustainable way. This project is expected to be delivered by the end of 2024.

Additionally, the IAM program continues to plan and execute on work resulting from our enterprise work planning model. The IAM department has moved beyond collaborating with central units and is using this model to collaborate with system-wide units to further address our strategy and planned work.

Finally, IAM has been an early collaborator with the OIT Chief Technology Officer's (CTO) initiative for standardizing and optimizing the enterprise work planning model. This effort will help reduce cross team and cross department overhead when executing on work and will improve OIT's ability to align on high priority work.

Staffing

The IAM department is addressing staffing challenges through strategic management of attrition. The department's focus is to efficiently use the IAM budget by hiring based on potential and leveraging training, which helps keep critical IAM positions competitive while yielding more IAM positions than backfills could provide. Another necessary differentiation for the IAM staffing strategy is the focus on long-term future competencies relevant to the future of IAM rather than focusing on replacing existing skill sets.

Since the May 2023 update, IAM has continued to deploy new elements of this strategy by hiring a student worker to ensure highly skilled staff can focus on challenging work that is commensurate with their capabilities. IAM has also leverages the lesson learned from collaborating with the CTO to ensure current and future work is not "over managed" which provides IAM leadership with more capacity to focus on the variety of complex issues inherent to technology and work of our high connected and mission critical systems.

Criteria for Deprovisioning

In the area of criteria for deprovisioning, the IAM department is now delivering the first technology change needed to address this finding. The IAM Program collaborated with OHR and ASR to define system data and events to identify students and staff who are no longer active and has now transitioned into delivered the planned changes. Once this project is completed, it will allow the University to determine when a student is no longer active or when a staff member is no longer employed, enabling a future IAM project to configure deprovisioning technology to update user access as their relationship with the University changes.

In addition to collaborating with system-wide leadership to define technology and business process changes needed for this deprovisioning effort, IAM has also collaborated with OIT's Calendar and Messaging Team to deliver storage quotas to better manage data and is implementing tools to assist users who will be affected by the deprovisioning efforts.

The IAM Program has also established a Center of Excellence operational service that seeks to distribute the workload for application provisioning and deprovisioning that maintains a requisite level of oversight and control. However, this service will be limited in scaling across high-priority applications due to the competition for resources needed for the legacy technology strategy and other future services resulting from the resolution of other assessment identified risks.

Business Operational Requirements

A substantial portion of the IAM department's work since the last update has been focused on establishing clear definitions and a shared understanding of business needs as it relates to technology access. The IAM team worked with OHR, ASR, and system-wide IT leaders to create a deprovisioning capability that is predictable and well understood by technology professionals. This work included addressing complex business requirements for users who have multiple affiliations with the University of Minnesota and managing the unique business cases of the stakeholder business units. This collaboration is one of the most critical elements of delivering resolutions to the collaborative assessment findings as this shared understanding creates the basis for establishing appropriate technology access for enterprise applications.

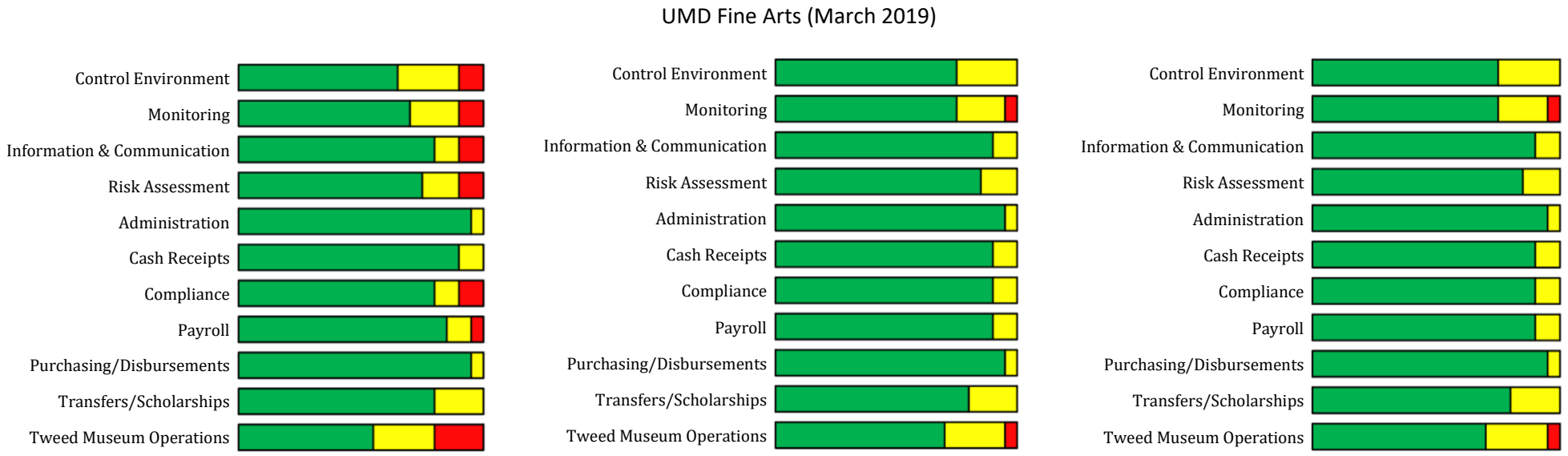
Progress on Implementation of Audit Recommendations

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 audit period 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 2023, while the chart on the right represents the current status. Charts are not presented for investigations nor audits with highly targeted scopes, such as senior leader transition reviews and the recent I-9 Temporary Process Compliance audit. Charts for those units having implemented all "essential" recommendations during the current audit period are shown at the end of this report.

Original Report Evaluation

Previous Audit Period Evaluation

Current Audit Period Evaluation

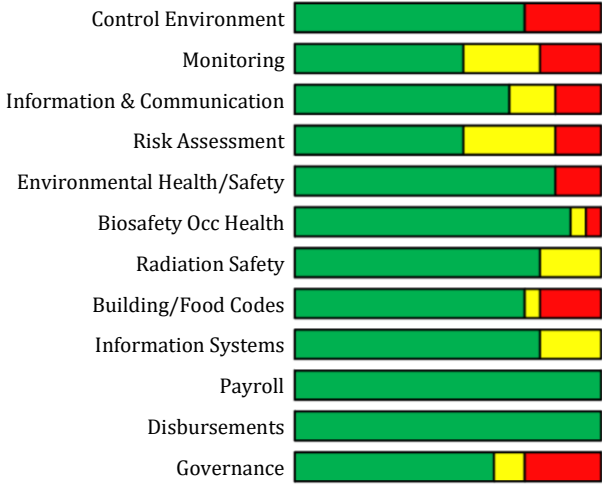


■ Adequate Control
 ■ Significant Control Issue(s)
 ■ Essential Control Issue(s)

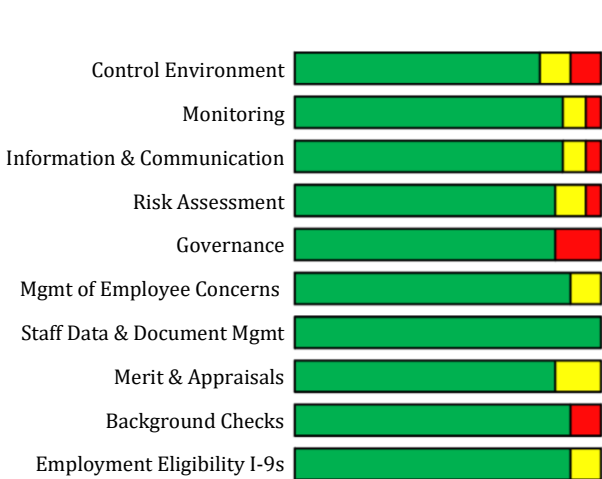
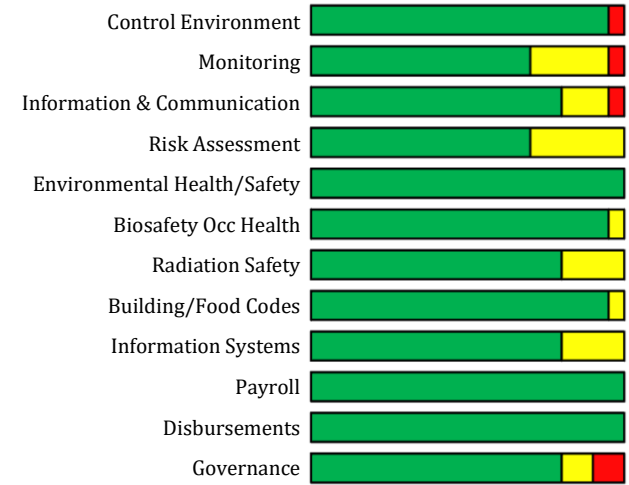
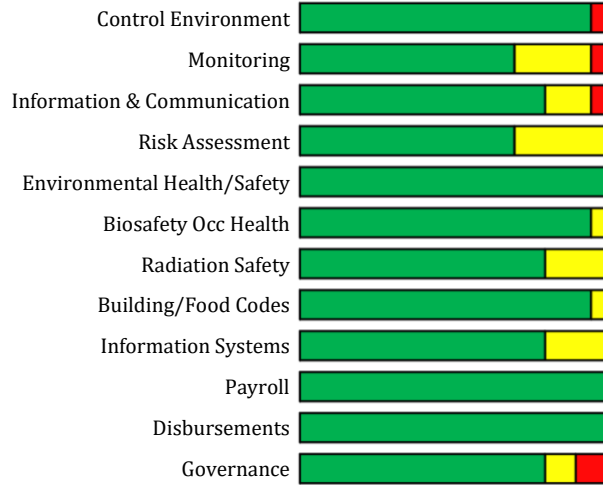
Original Report Evaluation

Previous Audit Period Evaluation

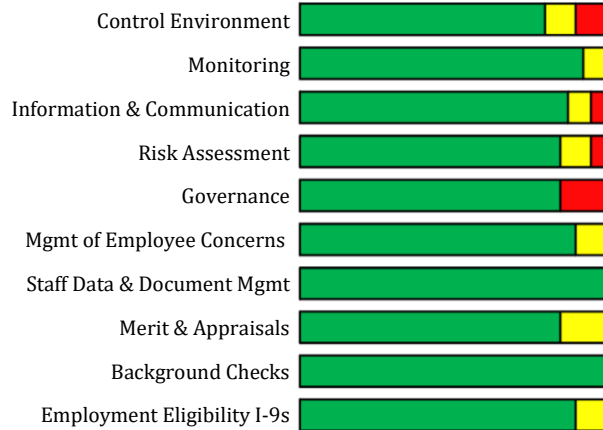
Current Audit Period Evaluation



University Health & Safety (September 2020)

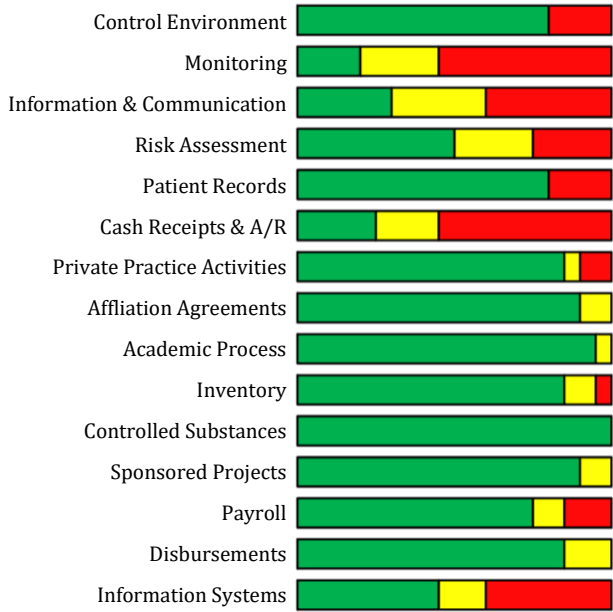


UMN Duluth Department of Human Resources (August 2021)



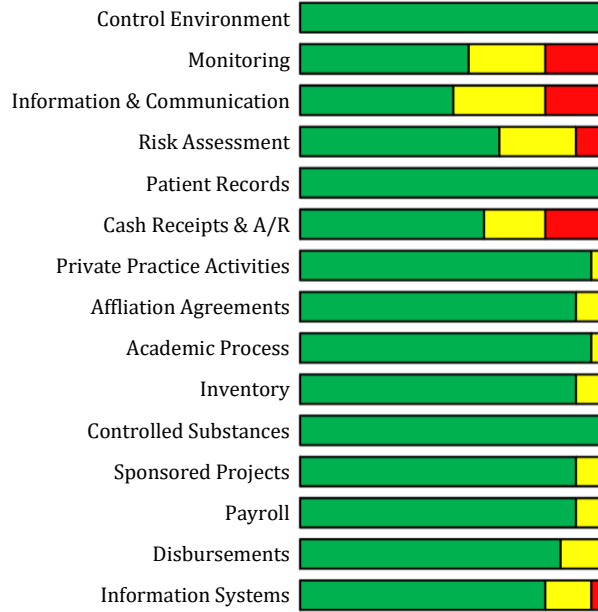
■ Adequate Control ■ Significant Control Issue(s) ■ Essential Control Issue(s)

Original Report Evaluation

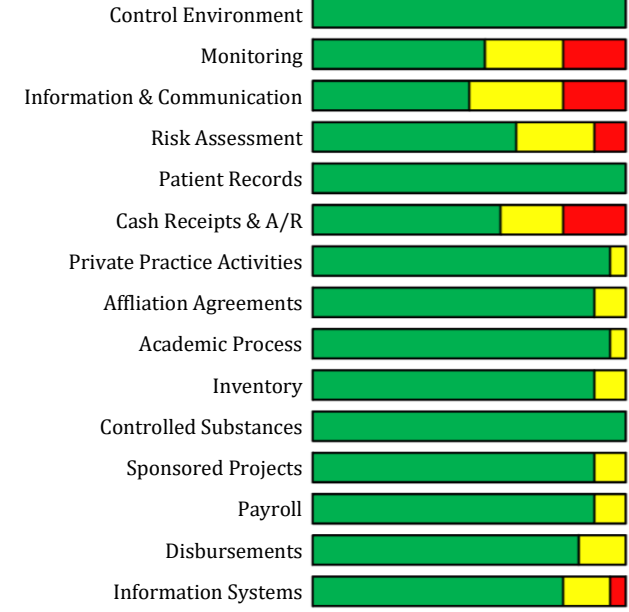


Previous Audit Period Evaluation

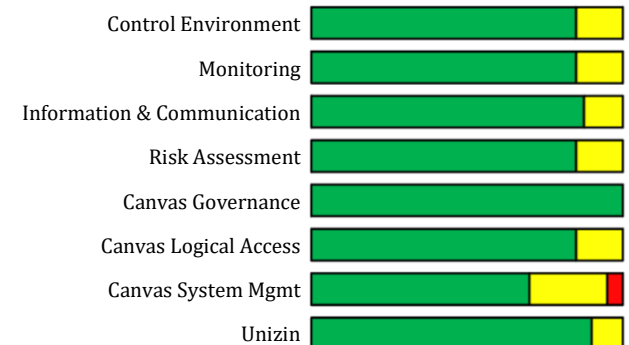
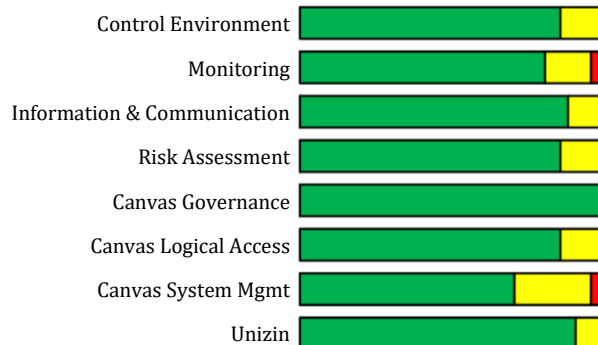
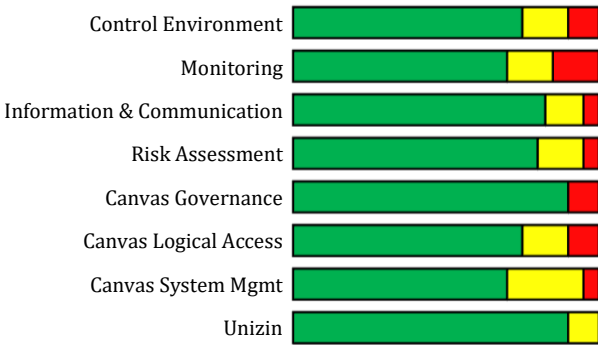
School of Dentistry (September 2021)



Current Audit Period Evaluation

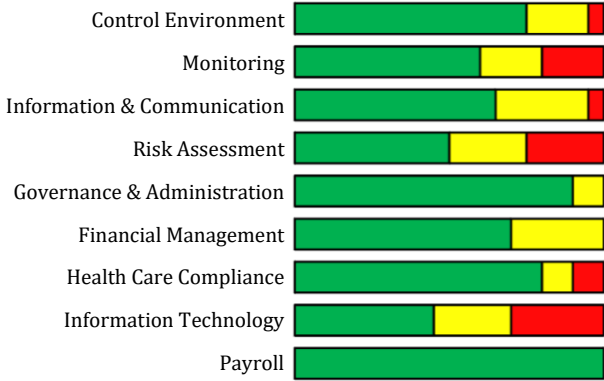


Canvas and Unizin (September 2021)

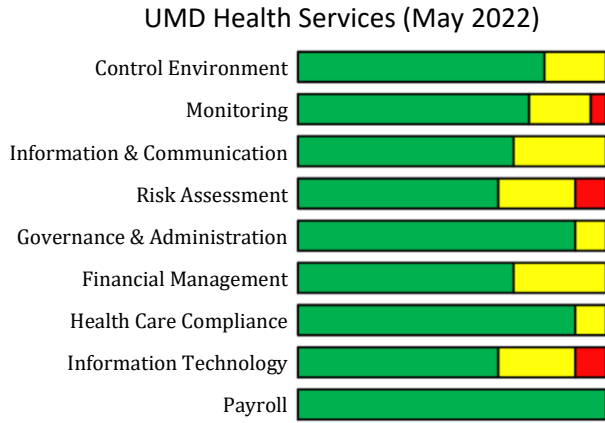


■ Adequate Control ■ Significant Control Issue(s) ■ Essential Control Issue(s)

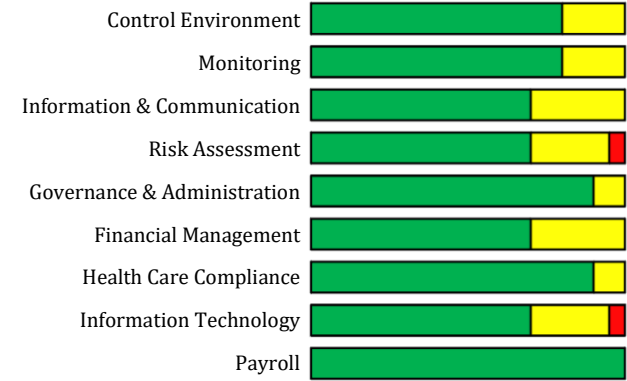
Original Report Evaluation



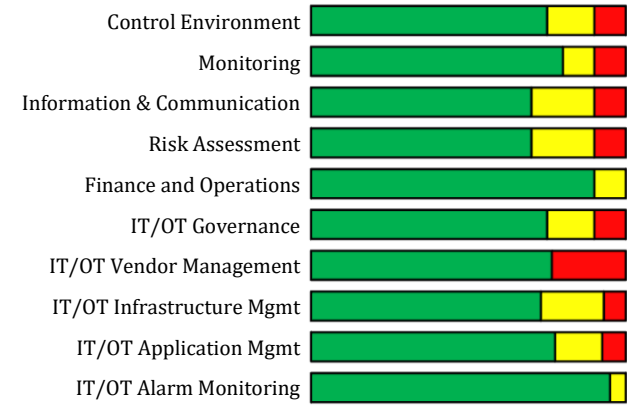
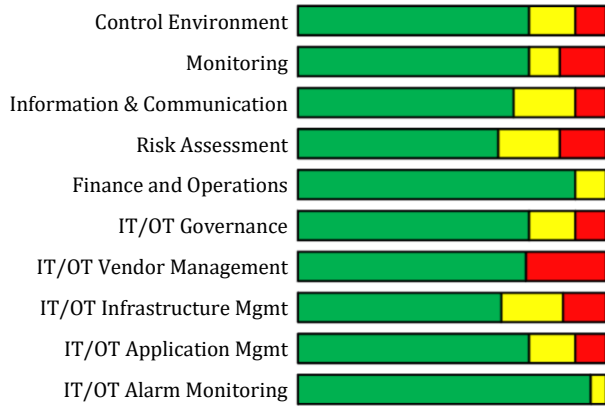
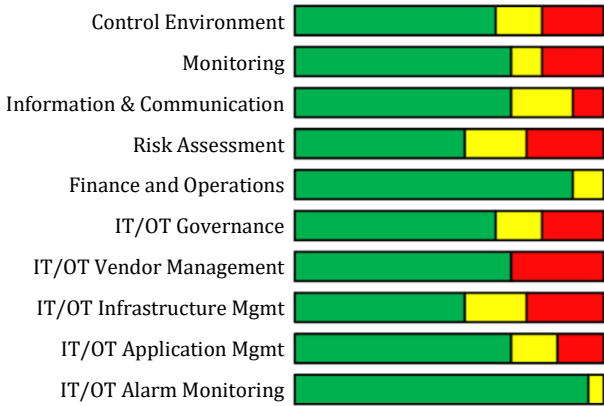
Previous Audit Period Evaluation



Current Audit Period Evaluation



Energy Management (July 2022)



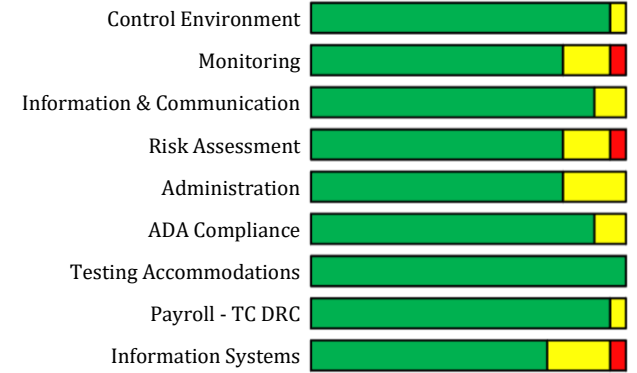
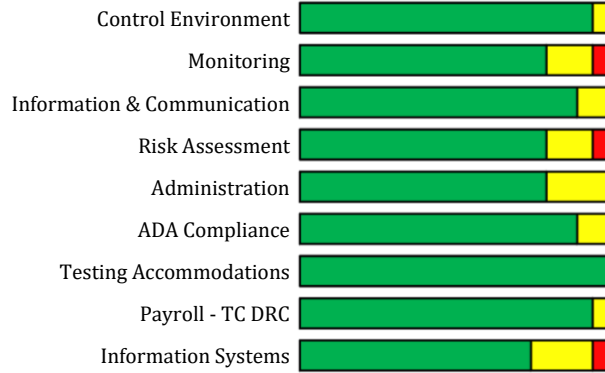
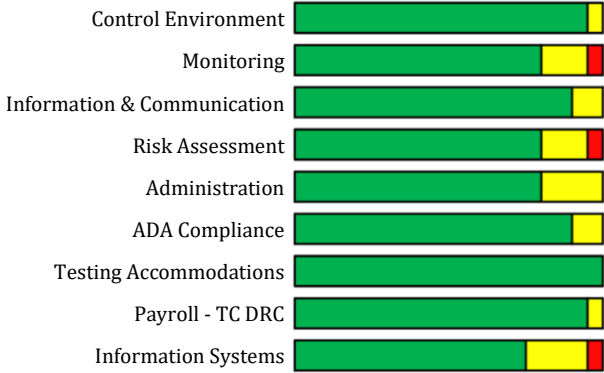
■ Adequate Control ■ Significant Control Issue(s) ■ Essential Control Issue(s)

Original Report Evaluation

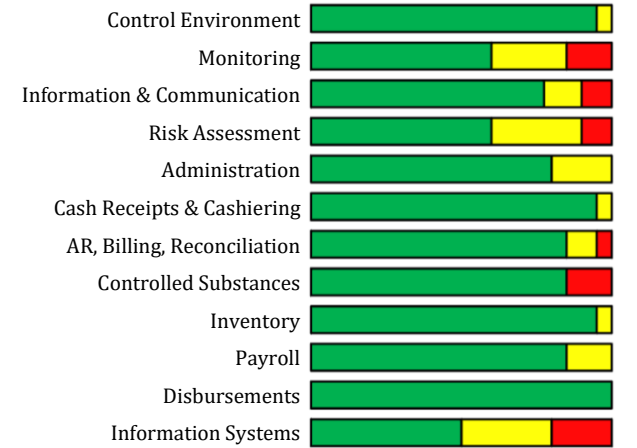
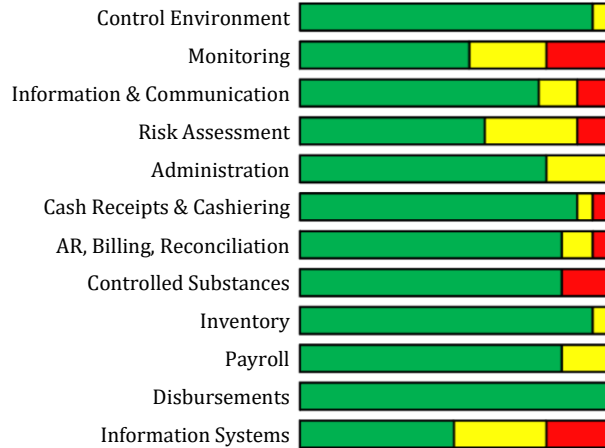
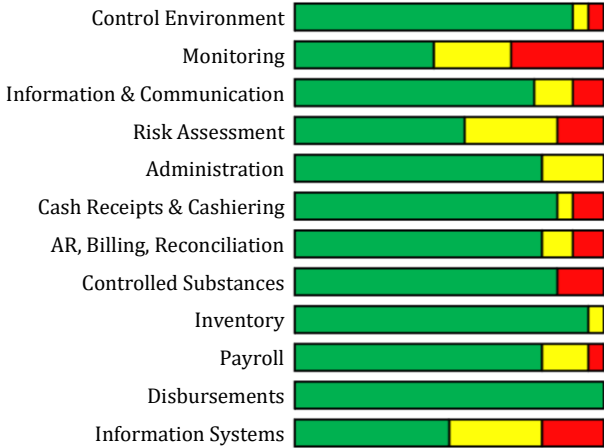
Previous Audit Period Evaluation

Current Audit Period Evaluation

Systemwide Student Disability Resources (August 2022)



Veterinary Medical Center (August 2022)



■ Adequate Control ■ Significant Control Issue(s) ■ Essential Control Issue(s)

Original Report Evaluation



Previous Audit Period Evaluation

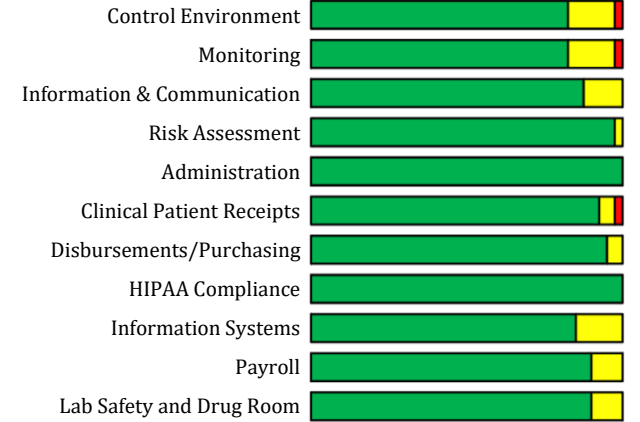
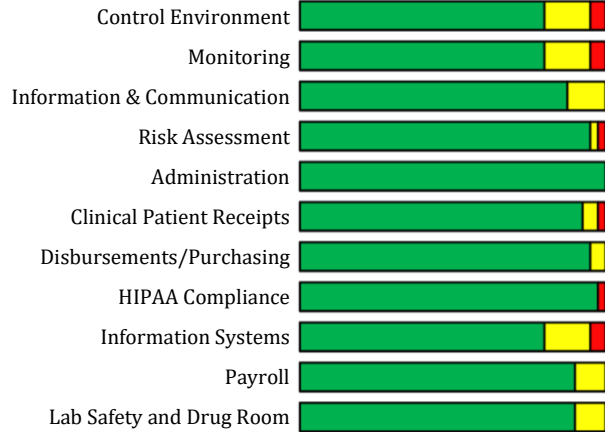
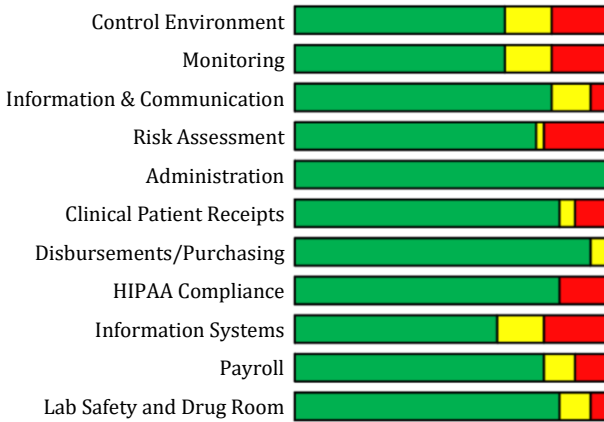
Research Animal Resources (August 2022)



Current Audit Period Evaluation



Community-University Health Care Center (December 2022)



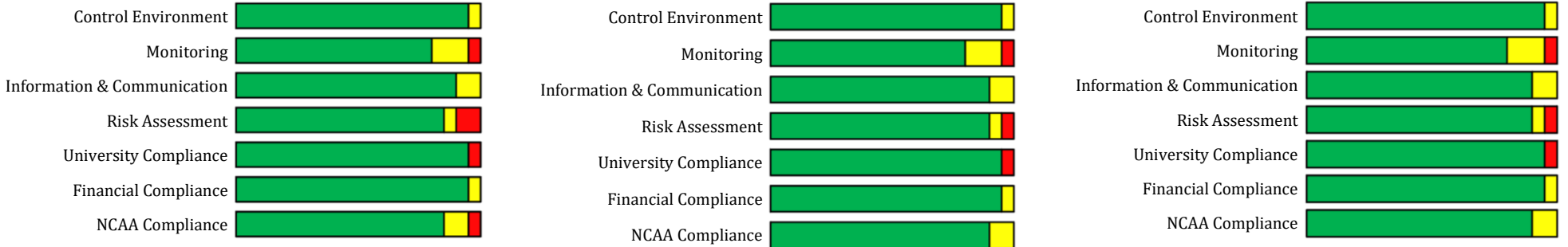
■ Adequate Control ■ Significant Control Issue(s) ■ Essential Control Issue(s)

Original Report Evaluation

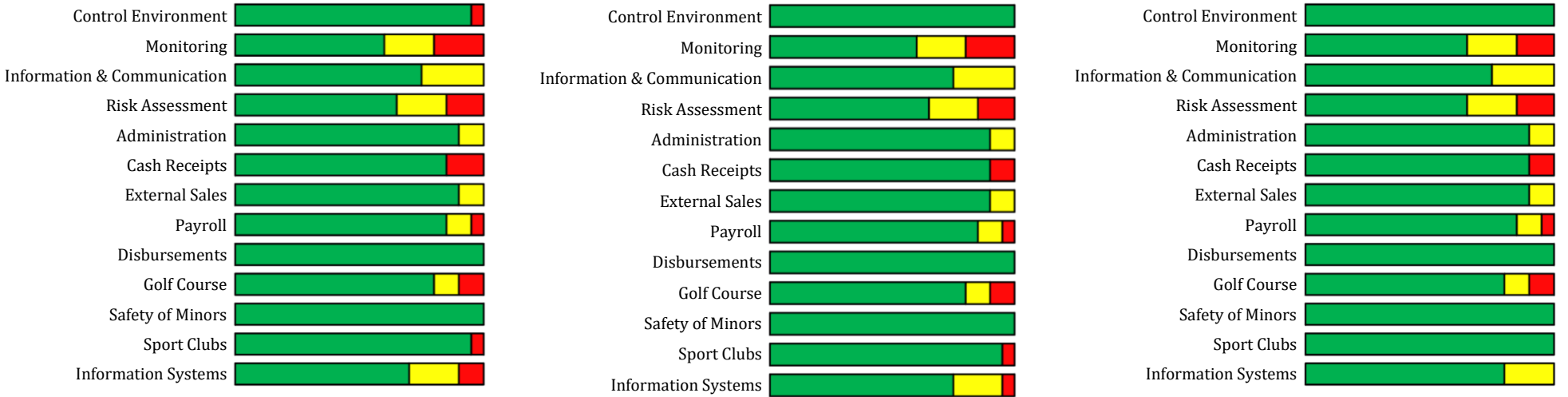
Previous Audit Period Evaluation

Current Audit Period Evaluation

Men's Golf and Women's Golf, Gymnastics and Tennis Sport Compliance & Operations (January 2023)



University Recreation and Wellness (January 2023)



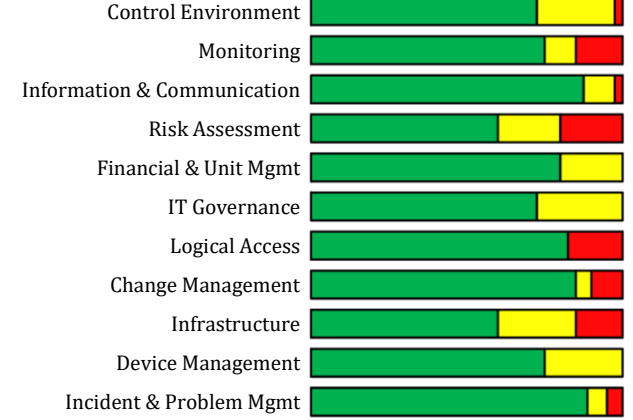
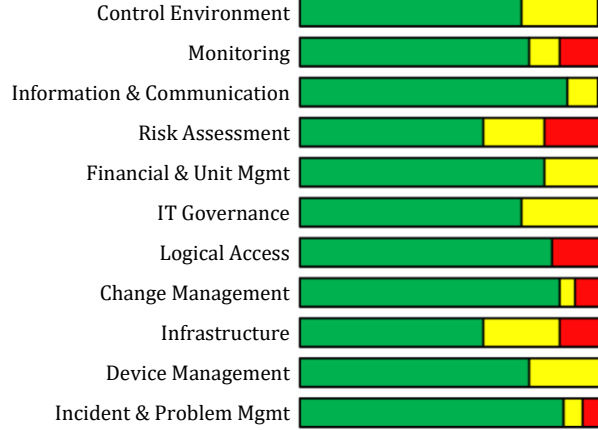
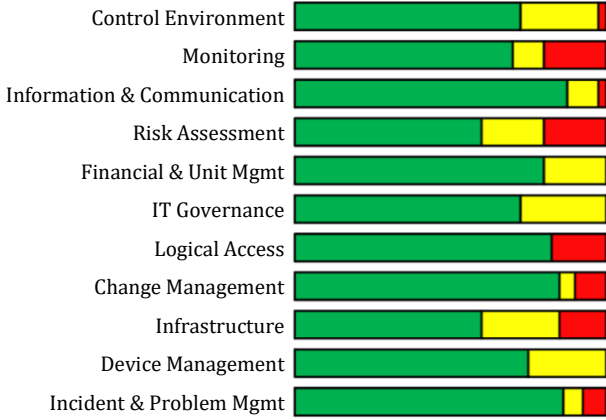
■ Adequate Control ■ Significant Control Issue(s) ■ Essential Control Issue(s)

Original Report Evaluation

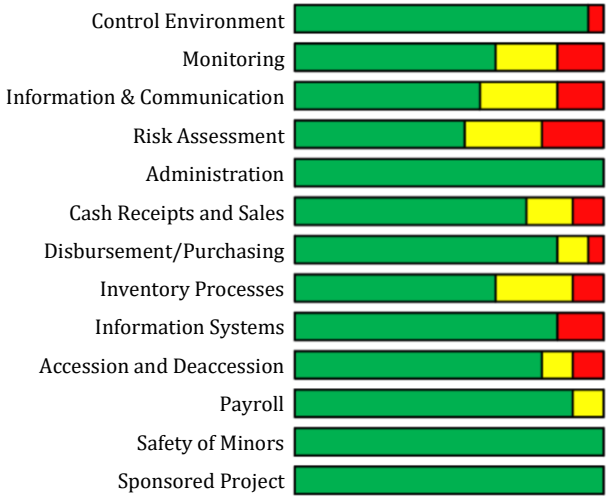
Previous Audit Period Evaluation

Current Audit Period Evaluation

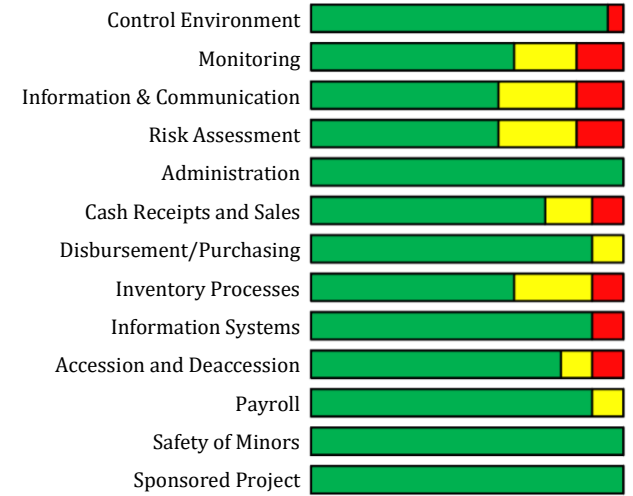
UMD Information Technology Systems and Services (February 2023)



Bell Museum (April 2023)

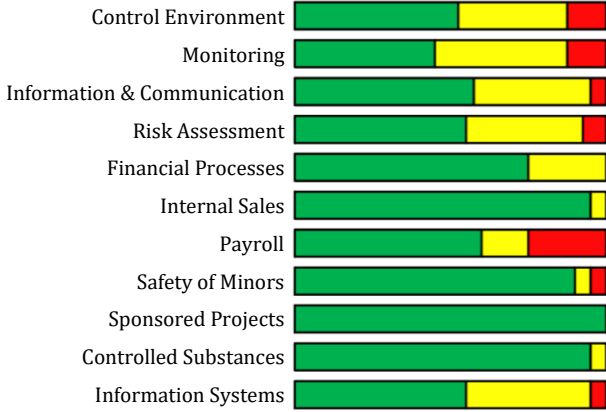


NO PREVIOUS CONTROL EVALUATION CHART



■ Adequate Control ■ Significant Control Issue(s) ■ Essential Control Issue(s)

Original Report Evaluation

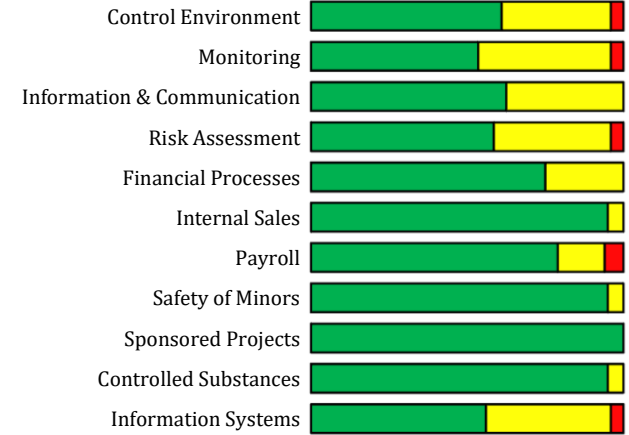


Previous Audit Period Evaluation

The Hormel Institute (May 2023)

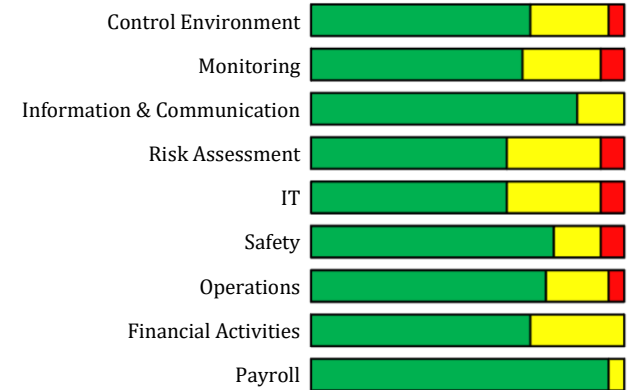
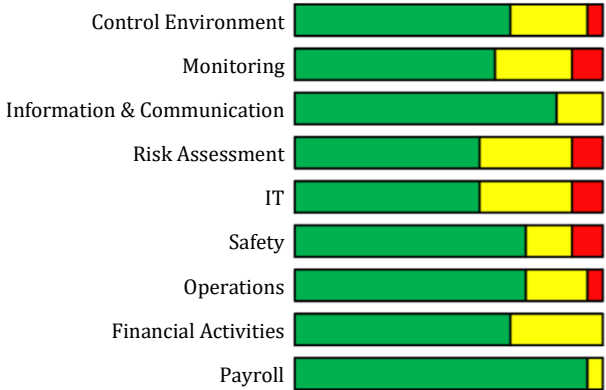
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Current Audit Period Evaluation



UMD Dining Services (May 2023)

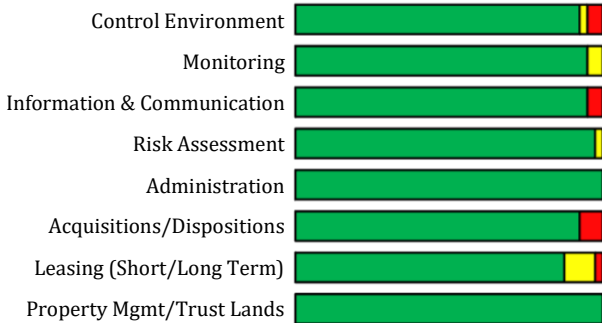
NO PREVIOUS CONTROL EVALUATION CHART



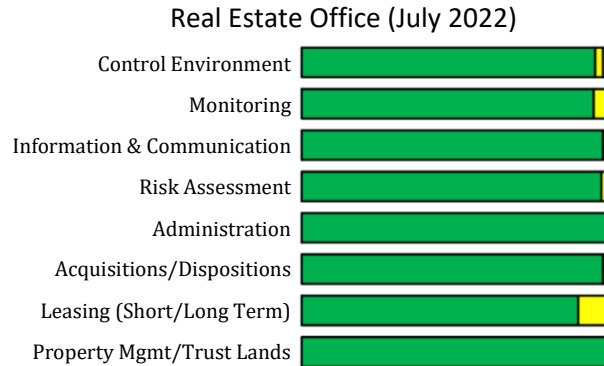
■ Adequate Control ■ Significant Control Issue(s) ■ Essential Control Issue(s)

Fully Implemented "Essential" Recommendations During the Past Audit Period

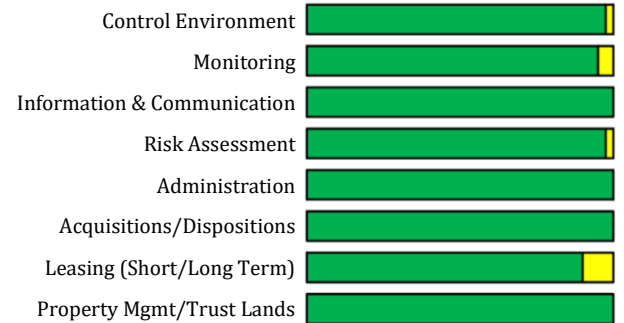
Original Report Evaluation



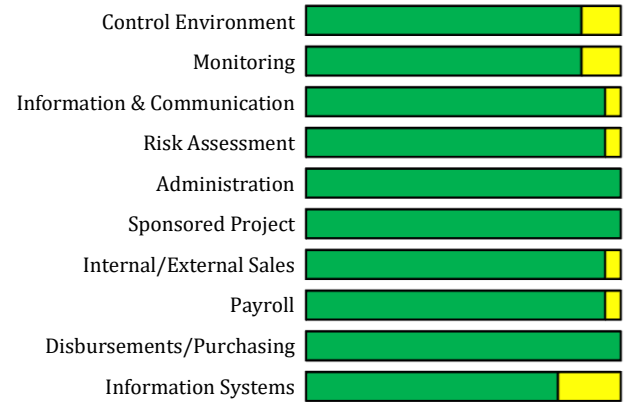
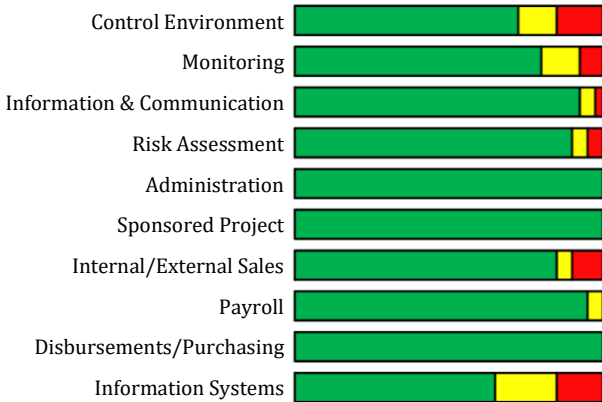
Previous Audit Period Evaluation



Current Audit Period Evaluation



Univeristy of Minnesota Genomics Center (August 2022)



■ Adequate Control
 ■ Significant Control Issue(s)
 ■ Essential Control Issue(s)

Original Report Evaluation

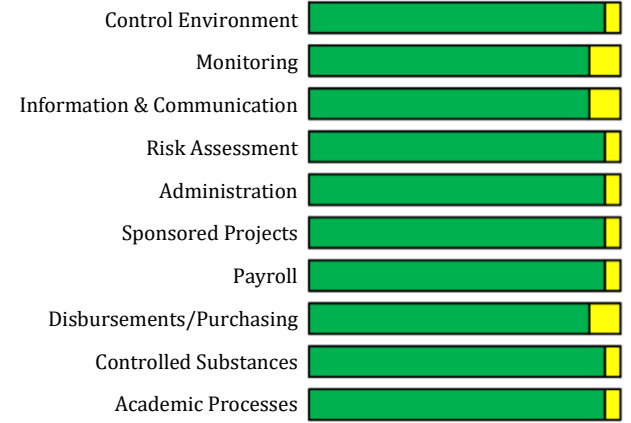
Previous Audit Period Evaluation

Current Audit Period Evaluation

Microbiology and Immunology (April 2023)



NO PREVIOUS CONTROL EVALUATION CHART



Civil, Environmental & Geo-Engineering (May 2023)



NO PREVIOUS CONTROL EVALUATION CHART



■ Adequate Control ■ Significant Control Issue(s) ■ Essential Control Issue(s)

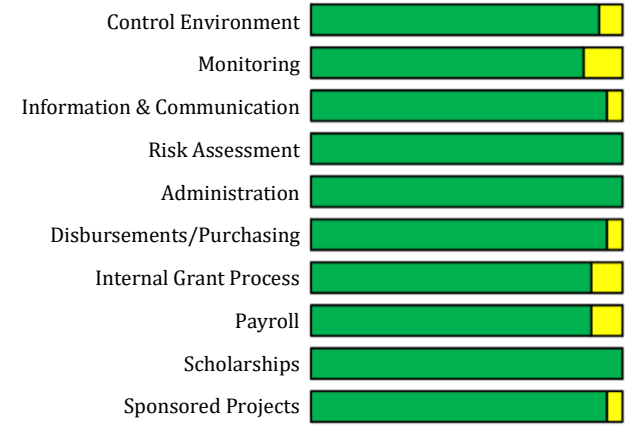
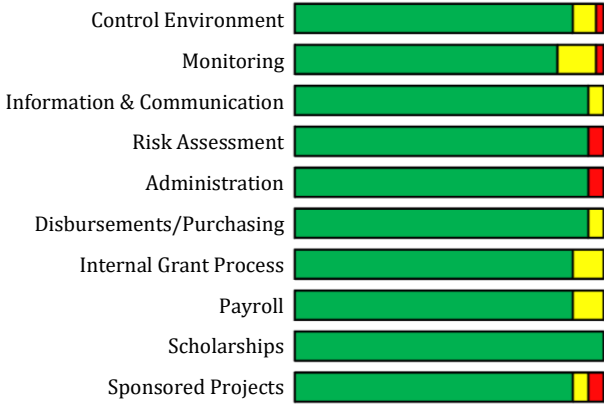
Original Report Evaluation

Previous Audit Period Evaluation

Current Audit Period Evaluation

Institute on the Environment (May 2023)

NO PREVIOUS CONTROL EVALUATION CHART



■ Adequate Control
 ■ Significant Control Issue(s)
 ■ Essential Control Issue(s)

Audit Activity Report

Scheduled Audits

Completed Audits Of:

- Gopher Athletics Ticket Office
- Boynton Health
- Associate Vice President and Dean for Global Programs and Strategy Alliance Transition Review
- eConsent
- Presidential Transition Review
- Carlson School of Management – Dean Transition Review
- Department of Aerospace Engineering and Mechanics

Began/Continued Audits Of:

- OIT Server Administration
- UMD Athletics
- Compliance and Operations Men's and Women's Track and Cross Country
- NXT GEN MED
- Gramm–Leach–Bliley Act
- Firewall Management
- Office of Academic Clinical Affairs Select Centers and Administration
- College of Liberal Arts – Dean Transition Review
- Law School - Dean Transition Review
- College of Design – Dean Transition Review
- College of Liberal Arts School of Music and Department of Theatre Arts and Dance
- Effort Management
- Health Insurance Portability and Accountability Act (HIPAA) Governance & Oversight

Investigations

- Performed investigative work on one issue in accordance with the University Policy on Reporting and Addressing Concerns of Misconduct.

Special Projects

- Conducted gift and endowment account testing for University accounts that received University of Minnesota Foundation (UMF) funds.
- Provided advisory services related to University payroll exception testing.
- Provided technology advisory services in several areas including: identity and access management, data center management, vendor management, logging and monitoring, and information security and compliance.
- Advised the University's incident response team on a recent data breach and provided regular updates to the Office of Legislative Auditor (OLA) on the incident and response.
- Performed sample testing of the Twin Cities Bookstore's physical inventory counts.

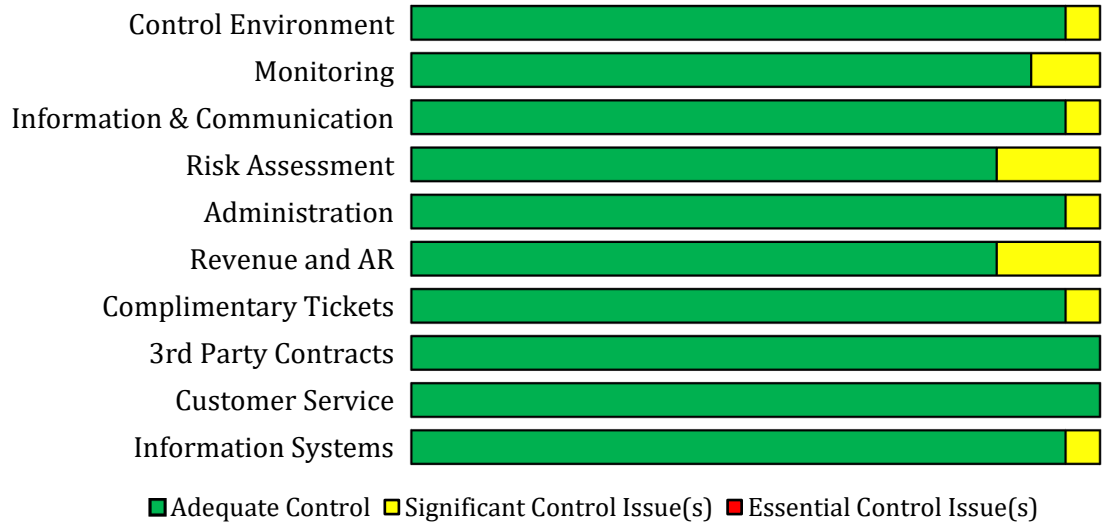
Other Audit Activities

Participated in the following:

- President's Cabinet
- Senior Leadership Team
- President's Policy Committee
- Policy Advisory Committee
- Board of Regents Policy Committee
- Executive Compliance Oversight Committee
- Institutional Conflict of Interest Committee
- University Consultative Team (UReport Reviewers)
- IT Leadership Committees
- HRPP Advisory Committee
- Research Integrity and Safety Collaborative
- Diversity Community of Practice
- PEAK Advisory Council
- University of Minnesota Foundation Audit Committee
- Metropolitan Council Audit Committee
- Association of College and University Auditors (ACUA) Committee on Athletics
- Enterprise Risk Management Task Force

Audit Reports Issued Since June 2023

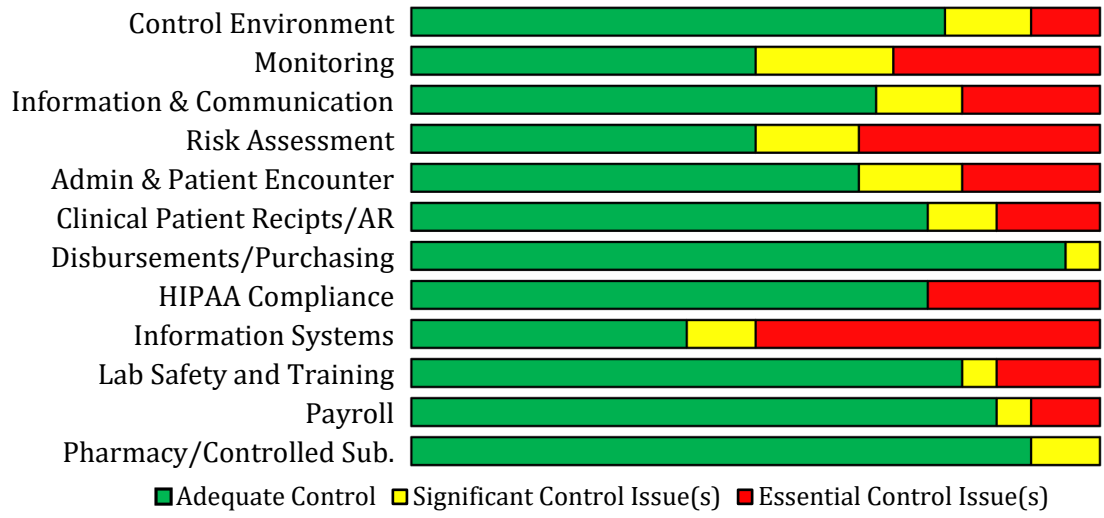
Athletics Ticket Office Control Evaluation



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|-----------------------------|------|-------------------------|-----------|
| Report Number: | 2324 | Issue Date: | June 2023 |
| # of Essential Recs: | 0 | Total # of Recs: | 5 |
| Overall Assessment: | Good | Adequacy of MAP: | Good |

Gopher Athletics Ticket Office (ATO) is responsible for ticketing eleven gopher sports, and other internal/external events, across eight University Twin Cities’ athletic venues. Annually, they handle ticketing for more than a million fans to over 200 events with total revenue exceeding \$38 million. ATO has made many staffing and technological changes to improve control and operational processes in recent years, which includes improved reporting and monitoring. Our audit affirmed these steps have resulted in a strong system of internal controls that addresses most major risks. In addition, we found ATO navigates its high-pressure environment with a clear commitment to customer service, ethical standards, and responsiveness to evolving industry trends.

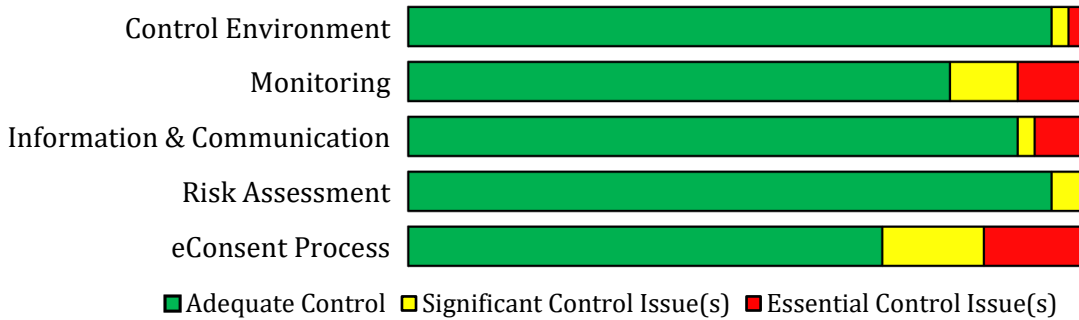
Boynton Health Control Evaluation



| | | | |
|-----------------------------|-------------------|-------------------------|-----------|
| Report Number: | 2325 | Issue Date: | June 2023 |
| # of Essential Recs: | 20 | Total # of Recs: | 33 |
| Overall Assessment: | Needs Improvement | Adequacy of MAP: | Good |

Boynton Health (BH) is a division of the Office of Student Affairs that provides health and related services to the Twin Cities campus' students and community. Health services provided include: allergy, dental, eating disorders, eye, mental health, nutrition, pharmacy, physical therapy, and primary care. In addition, BH manages the student health benefit plan, Gopher Chauffer, Nutritious U Food Pantry, and other student-centric wellness services. BH is funded primarily through a combination of student service fees and external sales. Our audit found BH's control environment and system of internal controls for clinical and IT management need improvement. The areas of greatest concern are governance and oversight, and information technology management and compliance. BH finance, operations and information technology processes are unique and sometimes complex, and the nature of clinical activities, including handling protected health information (PHI), increases inherent compliance and health and safety risks. BH demonstrates a strong commitment to the health and wellbeing of students and staff and has overcome staffing and other pandemic related challenges to continue to deliver critical health services to the community. However, financial reserves were impacted by the pandemic due to decreased patient visits, and some clinical departments continue to operate at a loss. BH plans to constitute a committee and hire an outside consultant to review revenue streams. BH has also recently had a transition in leadership and has been challenged to get staffing levels back to an optimum level.

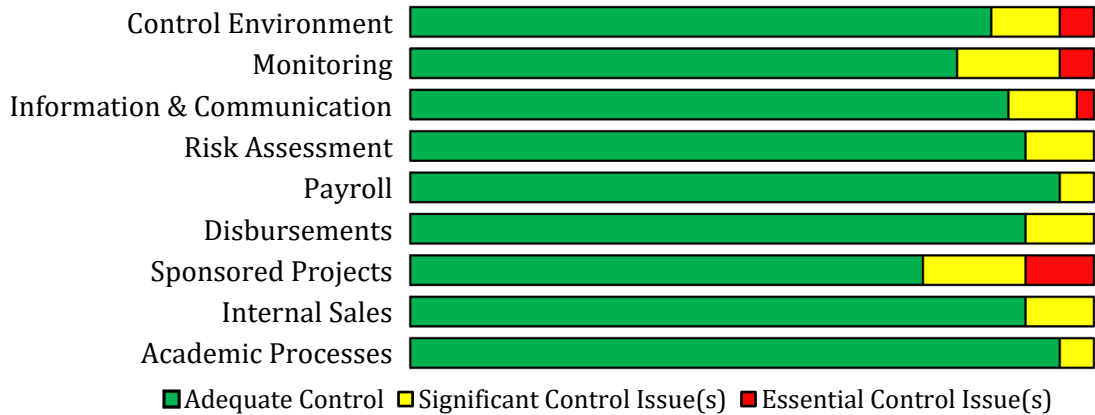
eConsent Control Evaluation



| | | | |
|-----------------------------|------|-------------------------|-----------|
| Report Number: | 2402 | Issue Date: | July 2023 |
| # of Essential Recs: | 4 | Total # of Recs: | 8 |
| Overall Assessment: | Good | Adequacy of MAP: | Good |

Electronic informed consent (eConsent) can be used in place of traditional hard copy forms to confirm a research participant’s comprehension of study details and to document their consent. The electronic process also allows for rapid communication with current study participants. FDA regulations provide the criteria under which the FDA accepts electronic records, electronic signatures, and handwritten signatures executed to electronic records as being equivalent to paper records with handwritten signatures. The sudden onset of the pandemic created an urgent need for a fully compliant remote consent process. The University verified its policies, procedures, and version of the system used to handle eConsent was compliant through an expedited process completed in April 2020. The University’s Human Research Protection Program (HRPP) has since decided all studies will use the eConsent system and process regardless of whether FDA compliance is required. This audit was conducted to ensure these established processes were compliant and operating effectively. Our audit affirmed the University’s eConsent process allows study teams to electronically consent participants accurately and securely. Despite the initial review process being expedited, the University’s eConsent process has a good control environment and a system of internal control that addresses most major business and compliance risks. Some issues were identified including four essential issues that need to be addressed to minimize operational and compliance risks. These involve some eConsent forms used, project setup steps, and participant authentication processes and documentation not meeting all University and/or FDA requirements.

Aerospace Engineering & Mechanics Control Evaluation



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|-----------------------------|------|-------------------------|----------------|
| Report Number: | 2405 | Issue Date: | September 2023 |
| # of Essential Recs: | 2 | Total # of Recs: | 12 |
| Overall Assessment: | Good | Adequacy of MAP: | Good |

Aerospace Engineering and Mechanics (AEM) is a department within the College of Science and Engineering (CSE). AEM conducts a significant amount of sponsored research with \$9.8M of its total annual revenue of \$14M coming from sponsored funds across approximately 60 active projects. AEM is also one of the leading University departments for research involving highly restricted data (controlled unclassified information (CUI)); their handling of this data was reviewed in a separate audit in 2021. Our audit affirmed AEM has developed a control environment and system of internal control that addresses most major business and compliance risks. Two sponsored project management essential issues were identified related to reporting significant changes to effort levels and handling of some sponsored expenses. Additional significant issues were identified related to strengthening control processes associated with: sponsored projects, payroll and human resources processes, disbursements and travel, handling of internal sales, and graduate school admissions documentation.

Transition Review Reports Issued Since June 2023

Due to the targeted scope of these audits no overall assessments or control evaluation charts are provided.

Global Programs and Strategy Alliance – Associate VP and Dean

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|-----------------------------|------|-------------------------|-----------|
| Report Number: | 2401 | Issue Date: | July 2023 |
| # of Essential Recs: | 0 | Total # of Recs: | 1 |
| Overall Assessment: | NA | Adequacy of MAP: | Good |

The transition review of the Associate Vice President (AVP) and Dean of Global Programs and Strategy Alliance (GPS) focused on the administrative aspects of the transition, including any financial or other arrangements made by the departing AVP and whether all administrative tasks were current. Financial activities were reviewed for the second half of fiscal year 2023 and up to three years prior. The audit found most administrative activities of the former AVP were completed to enable an efficient transition to the interim Vice Provost. However, not all receipts and justifications were documented for some of the AVP's travel and some of her international trips were not recorded on the GPS maintained University's International Registry as required by University policy. We also found several of the AVP's direct reports received salary increases in her last six months. No issues were identified with these salary changes as they all followed current University policy, were consulted with HR, and were within acceptable ranges where information was available. However, these salary changes were not independently reviewed despite the AVP's imminent departure. The Provost stated she has communicated to the incoming Vice Provost, and her other direct reports, the expectation for one-up reviews of significant salary increases going forward, and the Office of Human Resources is currently reviewing options for establishing University-wide policy for one-up reviews of any salary changes made by departing senior leaders and/or that exceed defined thresholds.

President

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|-----------------------------|------|-------------------------|-------------|
| Report Number: | 2403 | Issue Date: | August 2023 |
| # of Essential Recs: | 0 | Total # of Recs: | 0 |
| Overall Assessment: | NA | Adequacy of MAP: | NA |

The review of President Gabel's transition focused on the administrative aspects of the transition, including any financial or other arrangements made by President Gabel and whether all administrative tasks were current. This included particular attention to adherence to the requirements codified in the June 2, 2023, separation agreement. Financial activities reviewed ranged from FY2020 to FY2023 depending on the nature of the review. The audit affirmed the activities of President Gabel reflected a prudent use of University resources, thoroughness in completion of administrative functions, and adherence to her separation agreement requirements.

Carlson School of Management - Dean

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|-----------------------------|------|-------------------------|----------------|
| Report Number: | 2404 | Issue Date: | September 2023 |
| # of Essential Recs: | 0 | Total # of Recs: | 0 |
| Overall Assessment: | NA | Adequacy of MAP: | NA |

The review of the Carlson School of Management (CSOM) Dean's transition focused on the administrative aspects of the transition, including any financial or other arrangements made by the departing dean and whether all administrative tasks were current. Financial activities were reviewed for the second half of fiscal year 2023 and up to three years prior. The audit results affirmed that the activities of the former dean reflect a prudent use of University resources and thoroughness in the necessary administrative functions required for a smooth transition. No report issues were identified.

Management Remediation Plans that Involve PEAK

The following table includes recommendations and risks identified in Internal Audit reports for which management stated would be resolved at least in part through the PEAK Initiative.

| Audit | Report Date | Summary of the Issue | Management Response | Function Area | Recommendation Rating | Status of Essential Recommendation |
|---|---------------|--|--|-----------------|--|------------------------------------|
| Fiscal Year 2024 | | | | | | |
| <i>To date, there were no items identified in fiscal year 2024 where management stated the remediation would be resolved at least in part through PEAK.</i> | | | | | | |
| Fiscal Year 2023 | | | | | | |
| UMD Dining Services | May 2023 | Multiple units perform financial duties for Dining Services, and Dining Services' oversight of these activities is limited, which presents effectiveness and efficiency concerns. | Dining Services plans to evaluate its financial support model after the processes being addressed as part of PEAK are implemented. | Finance | Significant | N/A |
| | | Dining Services IT support model involves various UMD units and responsibilities have not been formally defined. Additionally, there is no central oversight of Dining Services IT function by an IT professional. | Dining Services plans to work with ITSS to identify a lead IT support person. This new IT support structure will be determined, at least in part, through the changes implemented as part of PEAK. | IT | Significant | N/A |
| UMD Information Technology Systems and Services (ITSS) | February 2023 | A comprehensive evaluation of IT staffing and support services for the UMD campus has not been performed nor initiated by UMD leadership, which is likely resulting in inefficiencies and increased noncompliance risks. | ITSS plans to work with UMD leadership to comprehensively evaluate the current IT support structure for the campus. This review will be coordinated with the work being done as part of the broader PEAK initiative. | IT | Significant | N/A |
| Fiscal Year 2022 | | | | | | |
| Employee Visa and Immigration Support Collaborative Assessment | November 2021 | The Collaborative Assessment report identified risks related to strategy, hiring, and visa processing. | Senior management plans to establish a task force comprising representatives from all units with visa-related duties to review the collaborative assessment report and the University's visa support processes holistically. This work is expected to be carried out as part of the broader PEAK initiative. | Human Resources | N/A - this Collaborative Assessment identified Medium and Low risk areas for improvement, but not as recommendations | N/A |
| UMD Human Resources (UMD HR) | August 2021 | Human resources' roles and responsibilities are not clearly defined and documented to ensure understanding, efficiency, and consistency. | UMD HR plans to assess the feasibility of a structural plan pending the results of PEAK. | Human Resources | Essential | Not Implemented |
| | | There are opportunities to improve the efficiency and consistency of I-9 processing on the UMD campus. | At UMD, I-9 processing is the responsibility of the hiring unit and not UMD HR, which is neither staffed nor has the resources to process I-9s centrally. UMD HR plans to review I-9 processes for the campus alongside the results of PEAK. | Human Resources | Significant | N/A |



BOARD OF REGENTS DOCKET ITEM SUMMARY

Audit & Compliance

October 12, 2023

AGENDA ITEM: Information Items

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Quinn Gaalswyk, Chief Auditor

PURPOSE & KEY POINTS

The purpose of this item is to report engagements with external auditors as required by Board policy.

Esterbrooks, Scott, Signorelli, Peterson, Smithson Ltd was engaged to complete final attestation services for KUMD, the Duluth campus radio station as required by the Corporation for Public Broadcasting. This was an additional fee for the FY 2022 review and audit. The University has since sold KUMD. The fees for this engagement totaled \$1,800.

BACKGROUND INFORMATION

Engagements with external audit firms that do not require prior approval are reported after the fact to the Audit & Compliance Committee as information items, in conformance with Board of Regents Policy: *Board Operations and Agenda Guidelines*.