<u>Internal Audit Update</u>

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).
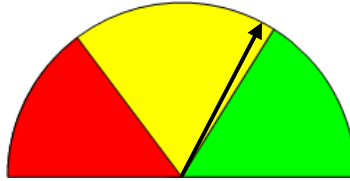
The final chart, "Time Spent on Non-Scheduled Audit Activities," provides a status report on the amount of time consumed by investigative activities, special projects, and other management requests. We estimate a budget for this type of work, and the chart will indicate whether we expect that budget 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.
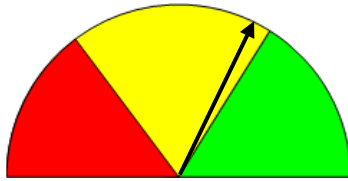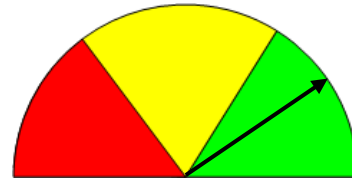
Essential Recommendation Implementation	**Progress on Audit Plan & Other Assurance Work**	**Time Spent on Non-Scheduled Audit Activities**
Implementation rates were 38% for the period; slightly lower than our expected rate of 40% and a slight increase from June's 35% rate.[1]	Progress on audit plan and assurance audit work is somewhat behind expectations.[2]	Time spent on investigations, special projects and management requests is less than expected and budgeted for the year to date.

[1]Approximately 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.

[2]We 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

Past Due ■   On-Schedule ■   Complete ■

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

Essential Recommendation Implementation Rates

	Current Period Oct. 2023	Jun. 2023	Feb. 2023	Oct. 2022	Jun. 2022	Feb. 2022	Oct. 2021	Jun. 2021	Feb. 2021	Oct. 2020	3 Yr. Average
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%

Month / Year of Follow Up Report

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 ized # of Items: 1	Partially Implemented	Jeremy Youde	Tweed management should improve inventory and valuation records for its art collection. Specifically, Tweed should: · 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: · 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: -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. 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. 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 resp onses is unknown, but ideally, will be completed before the beginning of FY 25, depending on resource availability in OIT. 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.

Audit/Report Date	Status- Partially Implemented or Not Implemented	Responsible Administrator	Summary of the Issue/Risk Involved	Current Comments From Management
UMN Duluth Department of Human Resources August 2021	Not Implemented/ Partially Implemented	Lindsey Klegstad & Kayleigh Karppinen	a) UMD HR should collaborate with OHR and UMN Duluth units to define and formally document service level expectations, roles, responsibilities, and resource allocations for HR/payroll functions (i.e., OHR, UMD HR, and UMN Duluth units and/or DL expectations). UMD HR should also work to leverage results from the PEAK initiative to identify areas where HR services can be further standardized and/or consolidated to increase consistency, improve efficiency and reduce the number of users with access to critical HR systems and data. b) UMD HR should work with OHR and the local halls in Duluth to develop a formalized agreement for trade employees.	a) UMD HR continues to work as a partner in Phase 1 of the PEAK initiative. OHR Operations Centers are projected to go-live in December 2023. Once this go-live occurs, UMD HR will be able to: 1.Observe the new centers taking the duties they are projected to take, and will then be able to calibrate local work for efficiency, consolidation, and consistency accordingly as the transition of duties and staff to the new OHR centers unfolds; and 2.Determine if any new local processes are needed to supplement the new methods that are being used to complete work that used to exist at UMD. Concurrently with dovetailing the system-wide PEAK work that is underway, UMD HR continues to work on the redesign of campus HR duties that remain once the new Operations Centers are live. Opportunities for further duties/workflow consolidation into UMD HR exist, and UMD HR is engaging local stakeholders in the process of determining which workflows would benefit from staying decentralized across campus or would be better served by being consolidated into UMD HR. Staffing models are being examined if UMD HR is to consolidate additional work into a more centralized model, due to attrition/turnover and a very lean HR department. While this recommendation is 2 years outstanding, the nature of this recommendation being so inextricably linked to the PEAK initiative explains why work surrounding this recommendation is still underway. Many aspects of the systemwide PEAK initiative must be completed prior to UMD HR finalizing its local redesign/consolidation and related process documentation. b) While this recommendation is 2 years outstanding, the complex nature of a proposed Trades agreement was one that ended up requiring outside counsel as well as close collaboration with University Services since they have gone through a similar process previously for their formal Trades agreement. As noted in the May 2023 update, the University has retained outside legal counsel and meetings have continued since that time. UMD HR has been working with OHR leadership and OGC, and once a proposal is developed, the University will inform the Unions of the University's intentions and work with the Unions through the Bureau of Mediation Services.
# of Items: 2				
School of Dentistry (SOD) Sept 2021	Partially Implemented	Dr. Keith Mays	SOD should improve processes for collecting on outstanding receivables to minimize exposure from uncollectible receivables and to increase the integrity of the financial statements. SOD and Oral Pathology Clinic should continue to work with the University's HIPAA Security Officer until HIPAA compliance has been met for the external billing service provider. SOD should work with the external service provider to ensure A/R processes are complete, timely, and adequate follow-up is occurring. Credits due to patient accounts must be processed and refunds need to be made in a timely manner. SOD needs to create a systematic and continuous process for reviewing patient accounts and returning amounts owed to patients. Amounts that cannot be returned should be submitted to the state of Minnesota as unclaimed property. SOD should establish a process to ensure insurance filings are completed timely and all signatures are obtained to not forgo revenue. If write-offs are still needed, Accounts Receivable Services should be involved.	The School of Dentistry is working diligently towards closing out the remaining five (of 27) essential audit recommendations from its 2021 internal audit, while simultaneously experiencing greater than normal challenges in recruitment and ultimately staff shortages. These shortages are directly linked to the changing employment landscape resulting from the COVID-19 pandemic. A number of the remaining open audit items stem from these staff shortages, specifically in the areas of finance, and retention challenges in personnel that interact directly with patients, such as dental assistants, treatment plan coordinators, and patient care coordinators. These roles function primarily as in-person modality, which were more directly impacted by the pandemic and contributed to a high level of burnout, which resulted in high turnover rates. As turnover increased, operations in the front-and-back end of patient billing suffered. The School of Dentistry struggles to remain competitive relative to industry or other on-campus unit salaries; thus, the school experienced high turnover. It has only been within the last three months that SOD has reached full staffing. Additionally, the school's efforts at implementing new technologies and systems to address open audit items have been delayed due to the need to obtain approval from University Information Security (UIS) and the Office of General Counsel. This process has impacted the school's ability to expediently resolve some audit items. Recent progress in obtaining approval to utilize new systems and software will support the school's ability to resolve the remaining open items in the coming months.
# of Items: 5				

Audit/Report Date	Status- Partially Implemented or Not Implemented	Responsible Administrator	Summary of the Issue/Risk Involved	Current Comments From Management
Canvas and Unizin Sept 2021	Partially Implemented	Keith Brown	Academic Technology Tools (ATT) should improve its Learning Technology (LT) security review processes. These processes should include a retroactive review of LTs which have not gone through the current review process, and periodic reviews thereafter. ATT should collaborate with colleges and units to establish these plans. ATT should also further restrict the access of the learning tools where possible and establish monitoring mechanisms for LTs that have broad access and cannot be restricted.	The Academic Technology Team (ATT) has implemented a rigorous review process for 3rd party Learning Tool (LT) integrations that enhance Canvas functionality. This process includes consultation with University Information Security (UIS) for security concerns as well as Academic Support Resources (ASR) for data privacy concerns. As new versions of Learning Tool integrations became available, twelve of the highest risk LTs were reviewed and migrated to the updated and more secure integration standard or removed entirely. This has greatly reduced the risk of the finding. Due to ATT staff effort being committed by leadership to work on the Student Engagement Platform (SEP), or Next Gen initiative, it was decided to review and migrate LTs as they were updated by their vendors. Several vendors have delayed updating their LTs. These vendor delays, in turn, have caused a delay in ATT's plan to review and migrate the remaining LTs. Moving forward, ATT will submit a request to UIS for a security exception for the remaining LTs that are not yet updated by 12/31/2023. ATT will continue to work with vendors to update the remaining LTs to the current standard. Tools that are unable to comply by 06/30/2024 will have security exceptions filed or will be removed. This work will be done in consultation with governance groups. The review and migration of the final LTs or the creation of procedural safeguards along with a security exception will complete this recommendation.
# of Items: 1				

Total: 10

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 lessoned 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 assists 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.
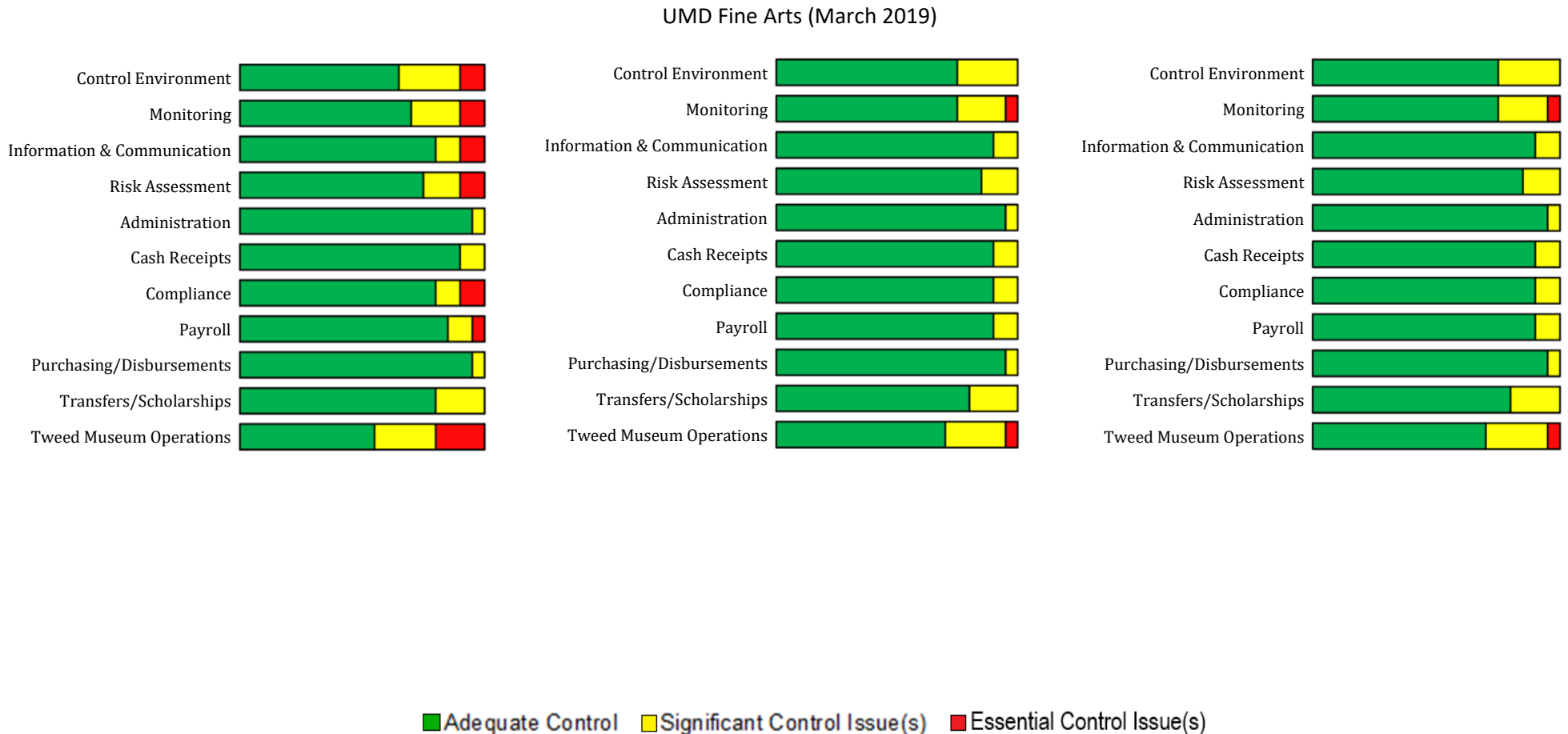
Progress on Implementation of Audit Recommendations

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

UMD Fine Arts (March 2019)
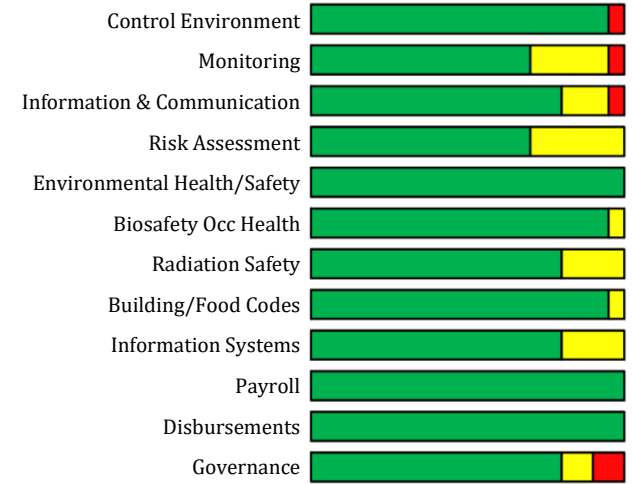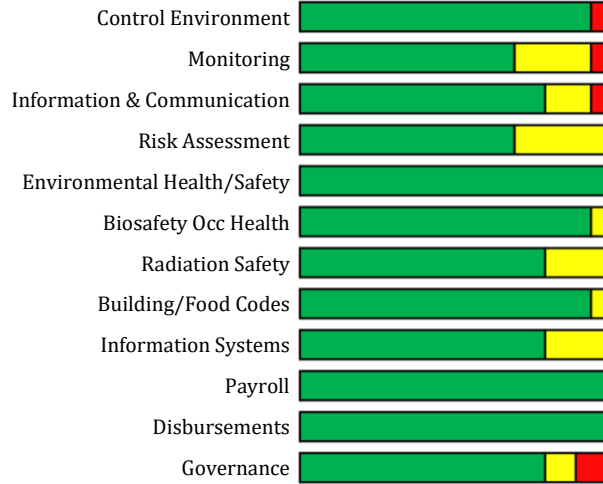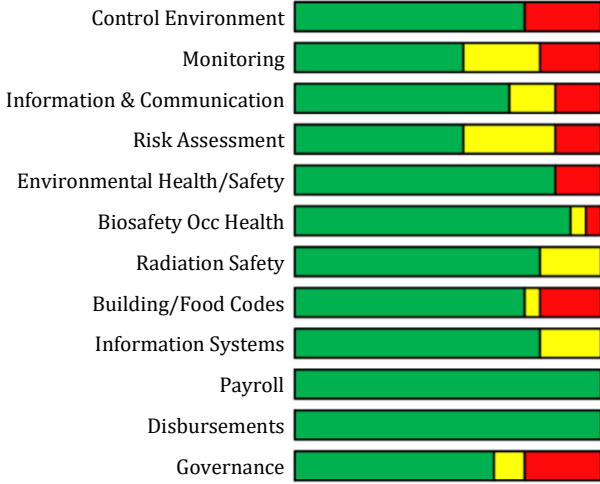

Legend: ■ Adequate Control   □ Significant Control Issue(s)   ■ Essential Control Issue(s)

Original Report Evaluation   **Previous Audit Period Evaluation**   **Current Audit Period Evaluation**

University Health & Safety (September 2020)

Control Environment
Monitoring
Information & Communication
Risk Assessment
Environmental Health/Safety
Biosafety Occ Health
Radiation Safety
Building/Food Codes
Information Systems
Payroll
Disbursements
Governance

UMN Duluth Department of Human Resources (August 2021)

Control Environment
Monitoring
Information & Communication
Risk Assessment
Governance
Mgmt of Employee Concerns
Staff Data & Document Mgmt
Merit & Appraisals
Background Checks
Employment Eligibility I-9s

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

Original Report Evaluation

Previous Audit Period Evaluation

Current Audit Period Evaluation

School of Dentistry (September 2021)

Category
Control Environment
Monitoring
Information & Communication
Risk Assessment
Patient Records
Cash Receipts & A/R
Private Practice Activities
Affliation Agreements
Academic Process
Inventory
Controlled Substances
Sponsored Projects
Payroll
Disbursements
Information Systems

Canvas and Unizin (September 2021)
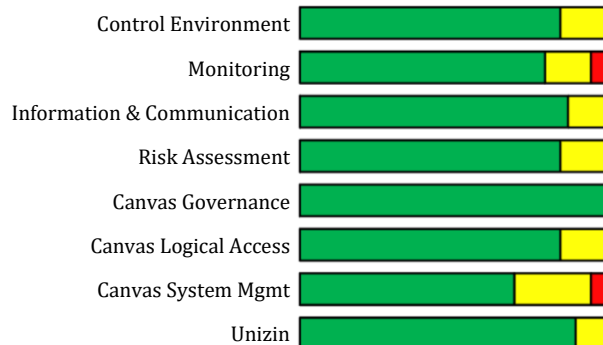
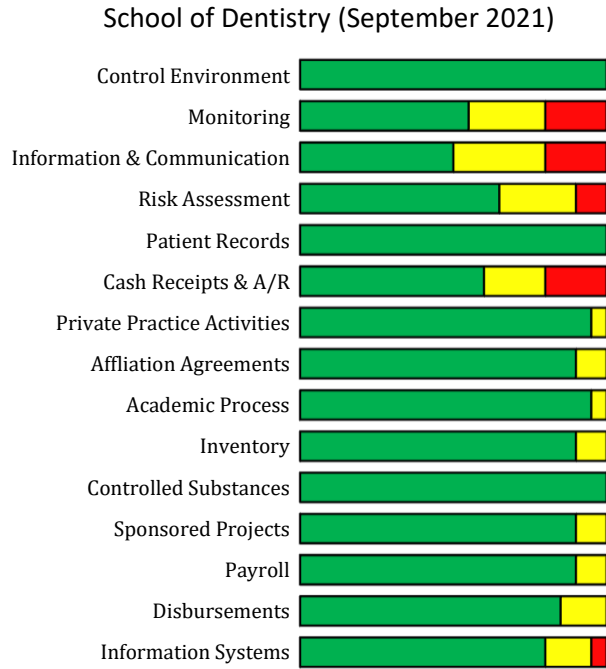| Category |
|---|
| Control Environment |
| Monitoring |
| Information & Communication |
| Risk Assessment |
| Canvas Governance |
| Canvas Logical Access |
| Canvas System Mgmt |
| Unizin |

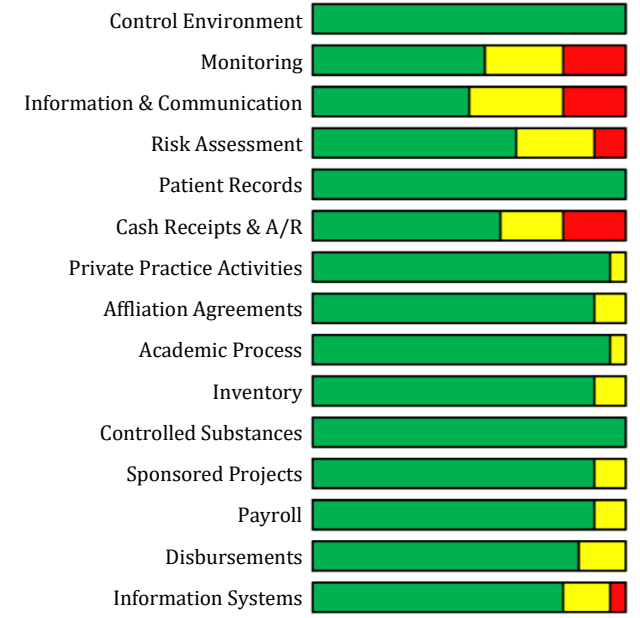■ Adequate Control   ■ Significant Control Issue(s)   ■ Essential Control Issue(s)
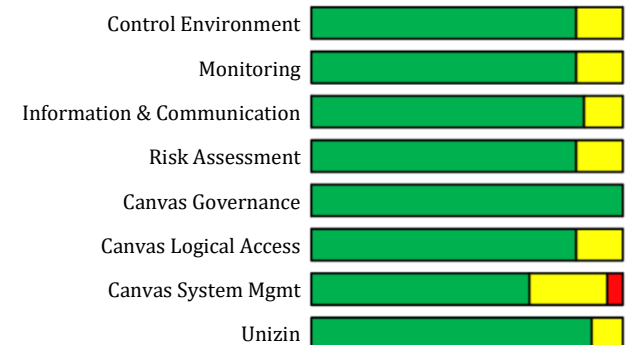
Original Report Evaluation

Previous Audit Period Evaluation

Current Audit Period Evaluation

UMD Health Services (May 2022)

Category
Control Environment
Monitoring
Information & Communication
Risk Assessment
Governance & Administration
Financial Management
Health Care Compliance
Information Technology
Payroll

Energy Management (July 2022)
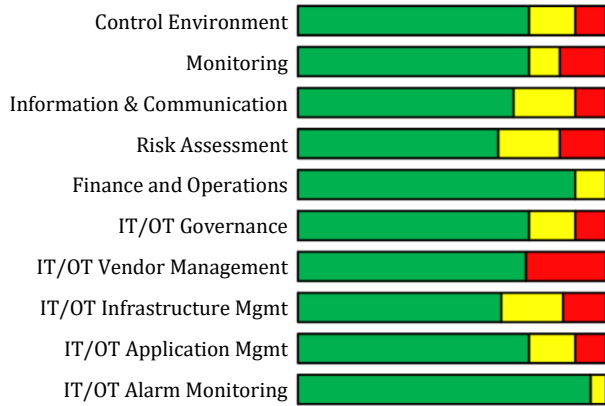
Category
Control Environment
Monitoring
Information & Communication
Risk Assessment
Finance and Operations
IT/OT Governance
IT/OT Vendor Management
IT/OT Infrastructure Mgmt
IT/OT Application Mgmt
IT/OT Alarm Monitoring

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

Original Report Evaluation   **Previous Audit Period Evaluation**   **Current Audit Period Evaluation**
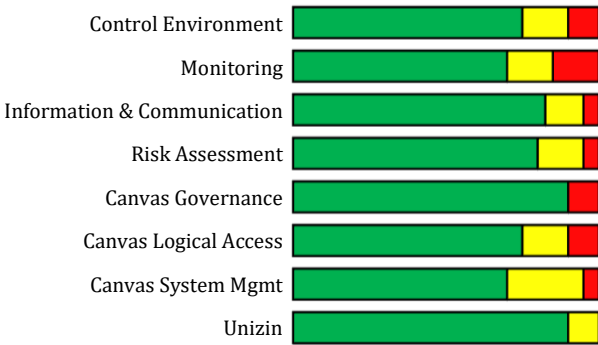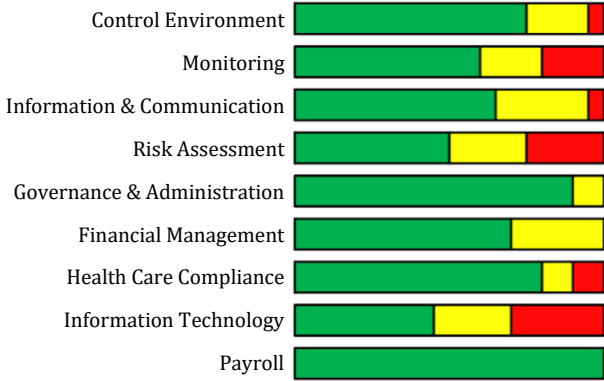
Systemwide Student Disability Resources (August 2022)

Control Environment
Monitoring
Information & Communication
Risk Assessment
Administration
ADA Compliance
Testing Accommodations
Payroll - TC DRC
Information Systems
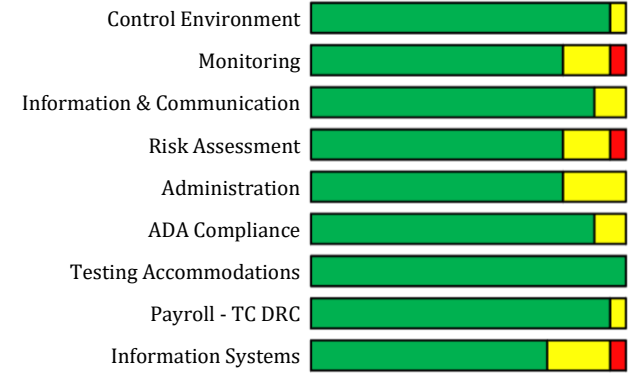
Veterinary Medical Center (August 2022)

Control Environment
Monitoring
Information & Communication
Risk Assessment
Administration
Cash Receipts & Cashiering
AR, Billing, Reconciliation
Controlled Substances
Inventory
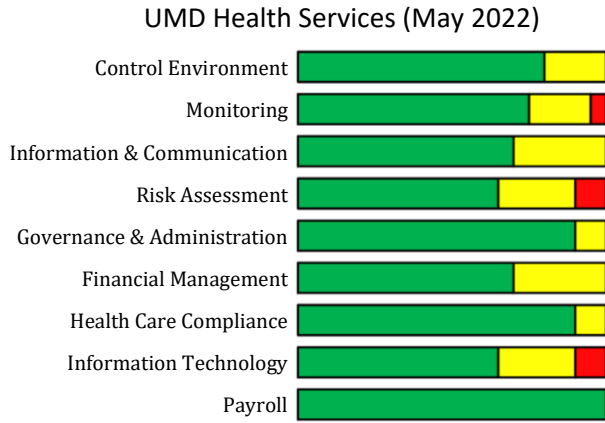Payroll
Disbursements
Information Systems

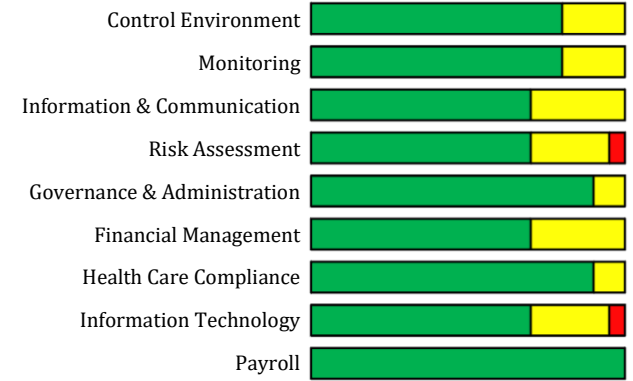■ Adequate Control   ■ Significant Control Issue(s)   ■ Essential Control Issue(s)
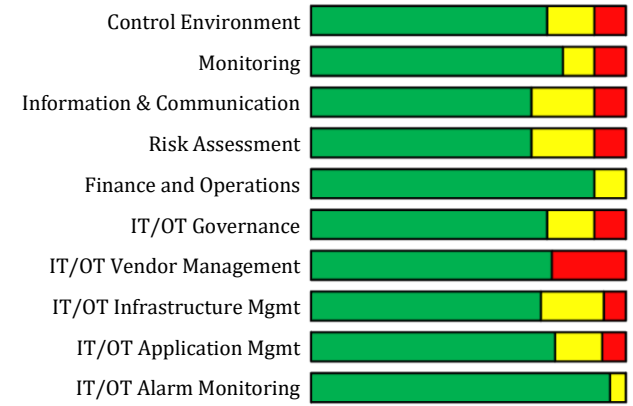
Original Report Evaluation

Previous Audit Period Evaluation
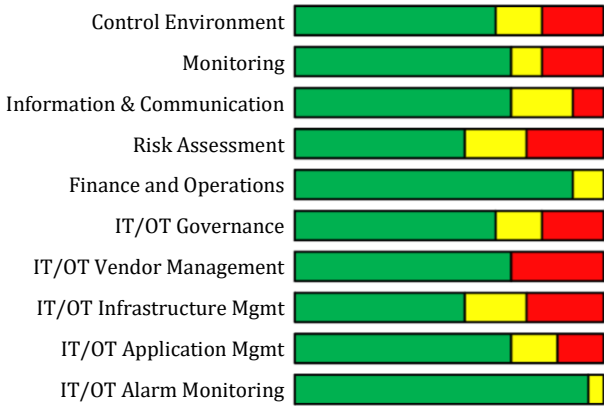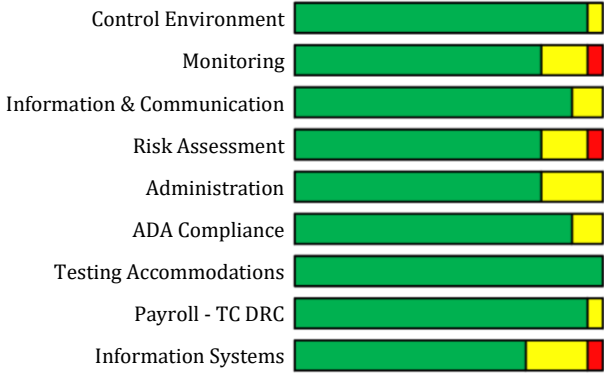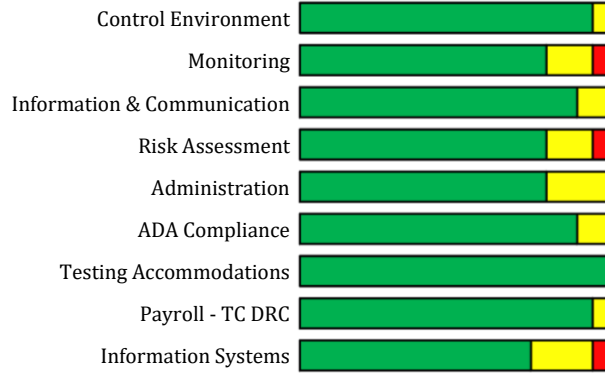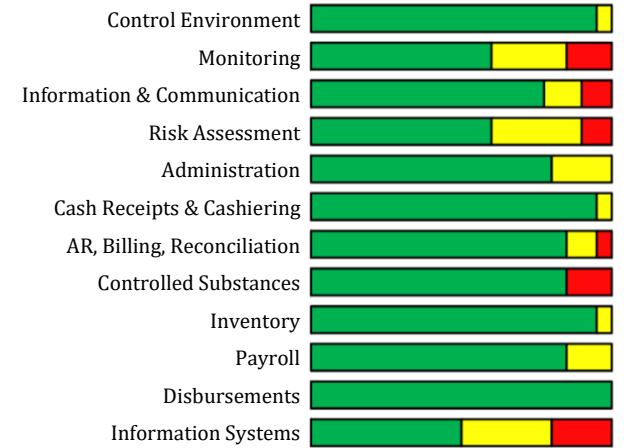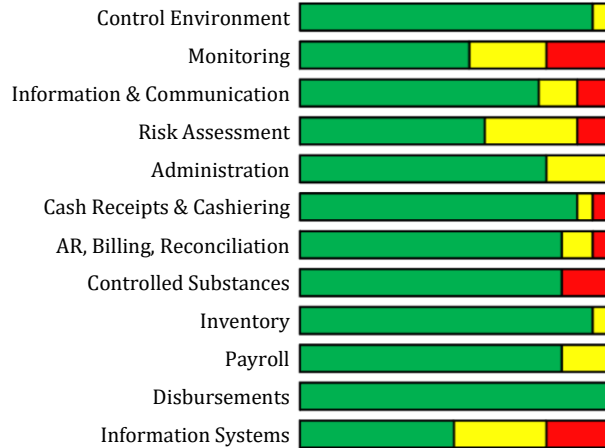
Current Audit Period Evaluation

Research Animal Resources (August 2022)

Original Report Evaluation
- Control Environment
- Monitoring
- Information & Communication
- Risk Assessment
- Administration
- Internal Sales
- Animal Management/Security
- Controlled Substances
- Payroll
- Disbursements/Purchasing

Previous Audit Period Evaluation
- Control Environment
- Monitoring
- Information & Communication
- Risk Assessment
- Administration
- Internal Sales
- Animal Management/Security
- Controlled Substances
- Payroll
- Disbursements/Purchasing

Current Audit Period Evaluation
- Control Environment
- Monitoring
- Information & Communication
- Risk Assessment
- Administration
- Internal Sales
- Animal Management/Security
- Controlled Substances
- Payroll
- Disbursements/Purchasing

Community-University Health Care Center (December 2022)

Original Report Evaluation
- Control Environment
- Monitoring
- Information & Communication
- Risk Assessment
- Administration
- Clinical Patient Receipts
- Disbursements/Purchasing
- HIPAA Compliance
- Information Systems
- Payroll
- Lab Safety and Drug Room

Previous Audit Period Evaluation
- Control Environment
- Monitoring
- Information & Communication
- Risk Assessment
- Administration
- Clinical Patient Receipts
- Disbursements/Purchasing
- HIPAA Compliance
- Information Systems
- Payroll
- Lab Safety and Drug Room

Current Audit Period Evaluation
- Control Environment
- Monitoring
- Information & Communication
- Risk Assessment
- Administration
- Clinical Patient Receipts
- Disbursements/Purchasing
- HIPAA Compliance
- Information Systems
- Payroll
- Lab Safety and Drug Room

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

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

University Recreation and Wellness (January 2023)
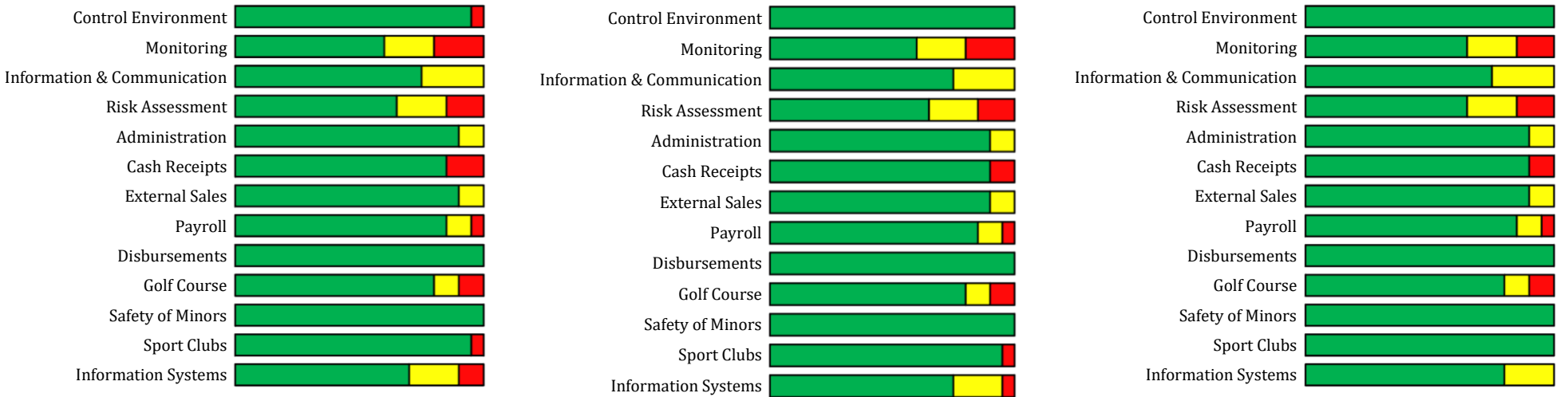
■Adequate Control ■Significant Control Issue(s) ■Essential Control Issue(s)

UMD Information Technology Systems and Services (February 2023)
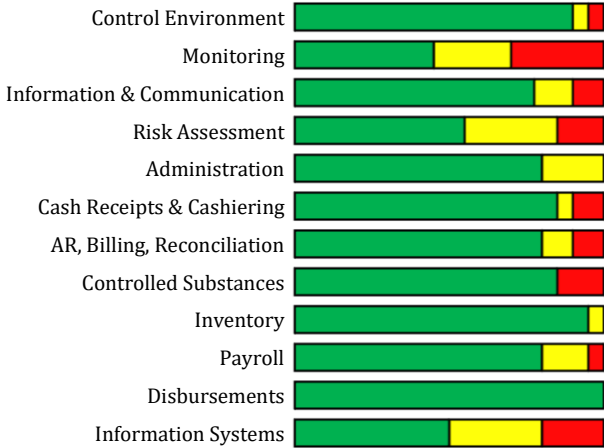
Original Report Evaluation	Previous Audit Period Evaluation	Current Audit Period Evaluation
Control Environment	Control Environment	Control Environment
Monitoring	Monitoring	Monitoring
Information & Communication	Information & Communication	Information & Communication
Risk Assessment	Risk Assessment	Risk Assessment
Financial & Unit Mgmt	Financial & Unit Mgmt	Financial & Unit Mgmt
IT Governance	IT Governance	IT Governance
Logical Access	Logical Access	Logical Access
Change Management	Change Management	Change Management
Infrastructure	Infrastructure	Infrastructure
Device Management	Device Management	Device Management
Incident & Problem Mgmt	Incident & Problem Mgmt	Incident & Problem Mgmt

Bell Museum (April 2023)

Original Report Evaluation	Previous Audit Period Evaluation	Current Audit Period Evaluation
Control Environment		Control Environment
Monitoring		Monitoring
Information & Communication		Information & Communication
Risk Assessment		Risk Assessment
Administration		Administration
Cash Receipts and Sales	NO PREVIOUS CONTROL EVALUATION CHART	Cash Receipts and Sales
Disbursement/Purchasing		Disbursement/Purchasing
Inventory Processes		Inventory Processes
Information Systems		Information Systems
Accession and Deaccession		Accession and Deaccession
Payroll		Payroll
Safety of Minors		Safety of Minors
Sponsored Project		Sponsored Project

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

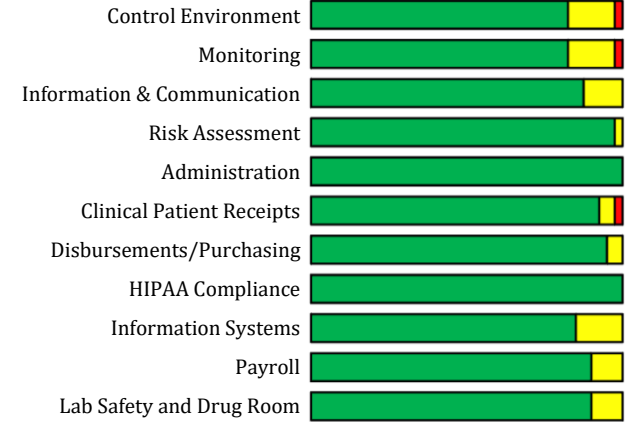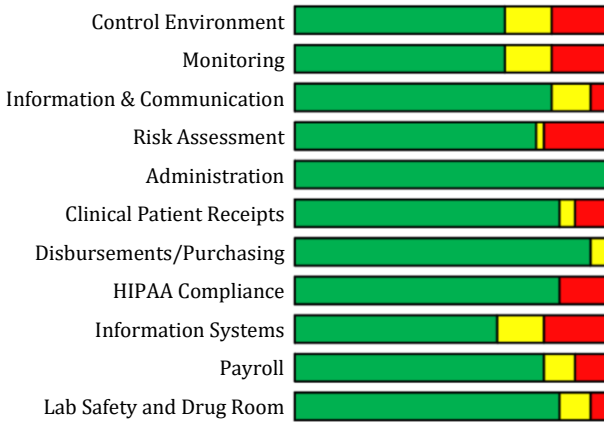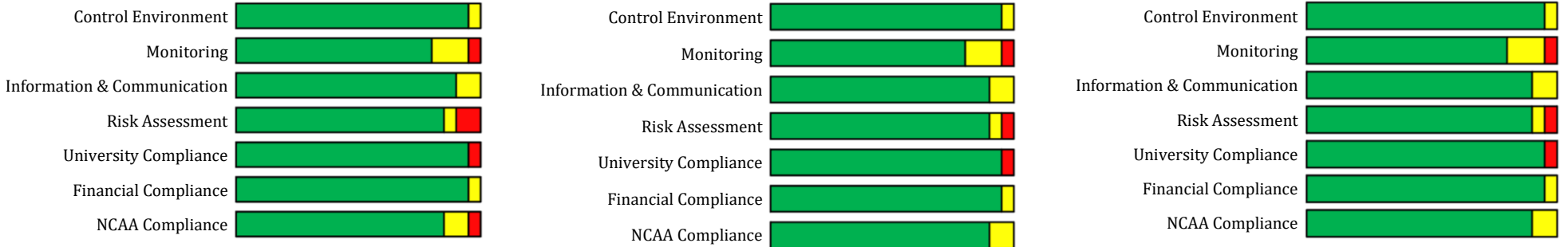# Original Report Evaluation

Previous Audit Period Evaluation
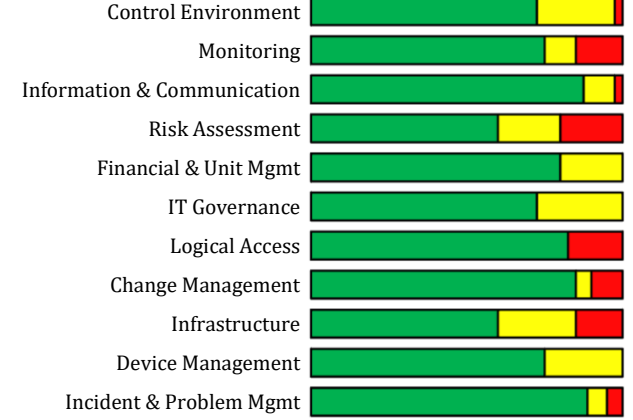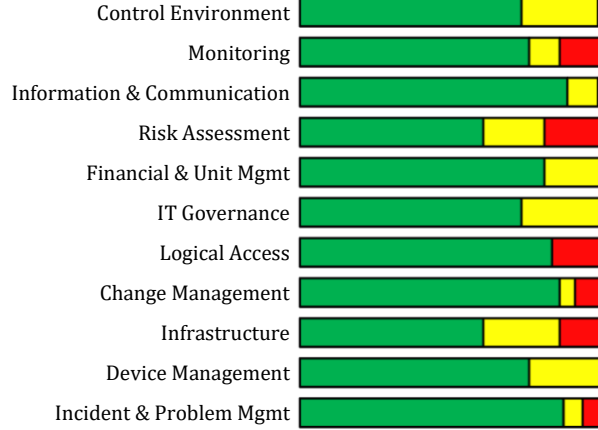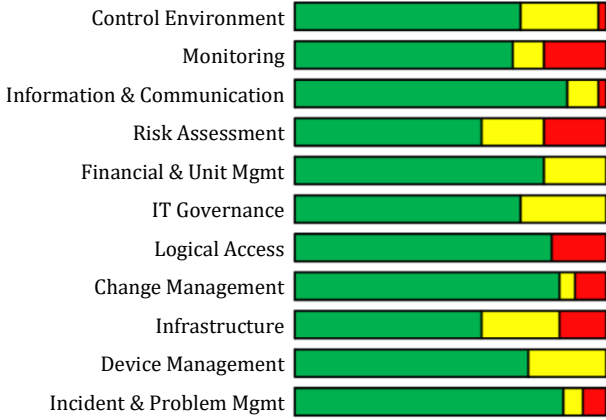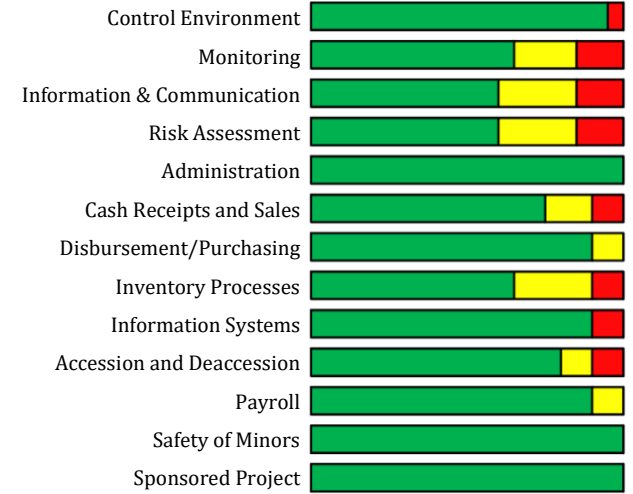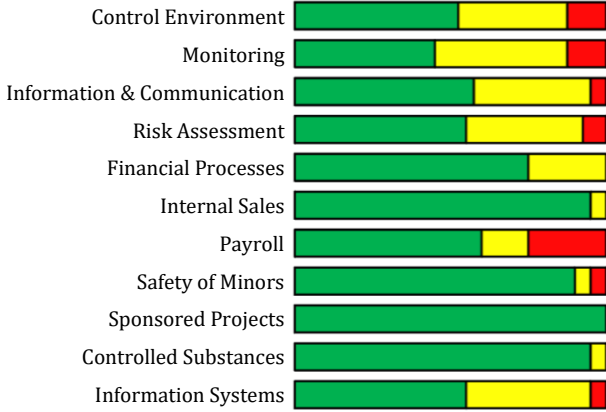
Current Audit Period Evaluation

The Hormel Institute (May 2023)

Original Report Evaluation

- Control Environment
- Monitoring
- Information & Communication
- Risk Assessment
- Financial Processes
- Internal Sales
- Payroll
- Safety of Minors
- Sponsored Projects
- Controlled Substances
- Information Systems

Previous Audit Period Evaluation

NO PREVIOUS CONTROL EVALUATION CHART

Current Audit Period Evaluation

- Control Environment
- Monitoring
- Information & Communication
- Risk Assessment
- Financial Processes
- Internal Sales
- Payroll
- Safety of Minors
- Sponsored Projects
- Controlled Substances
- Information Systems

UMD Dining Services (May 2023)

Original Report Evaluation

- Control Environment
- Monitoring
- Information & Communication
- Risk Assessment
- IT
- Safety
- Operations
- Financial Activities
- Payroll

Previous Audit Period Evaluation

NO PREVIOUS CONTROL EVALUATION CHART

Current Audit Period Evaluation

- Control Environment
- Monitoring
- Information & Communication
- Risk Assessment
- IT
- Safety
- Operations
- Financial Activities
- Payroll

■ 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

Real Estate Office (July 2022)

Original Report Evaluation	Previous Audit Period Evaluation	Current Audit Period Evaluation
Control Environment	Control Environment	Control Environment
Monitoring	Monitoring	Monitoring
Information & Communication	Information & Communication	Information & Communication
Risk Assessment	Risk Assessment	Risk Assessment
Administration	Administration	Administration
Acquisitions/Dispositions	Acquisitions/Dispositions	Acquisitions/Dispositions
Leasing (Short/Long Term)	Leasing (Short/Long Term)	Leasing (Short/Long Term)
Property Mgmt/Trust Lands	Property Mgmt/Trust Lands	Property Mgmt/Trust Lands

Univeristy of Minnesota Genomics Center (August 2022)

Original Report Evaluation	Previous Audit Period Evaluation	Current Audit Period Evaluation
Control Environment	Control Environment	Control Environment
Monitoring	Monitoring	Monitoring
Information & Communication	Information & Communication	Information & Communication
Risk Assessment	Risk Assessment	Risk Assessment
Administration	Administration	Administration
Sponsored Project	Sponsored Project	Sponsored Project
Internal/External Sales	Internal/External Sales	Internal/External Sales
Payroll	Payroll	Payroll
Disbursements/Purchasing	Disbursements/Purchasing	Disbursements/Purchasing
Information Systems	Information Systems	Information Systems

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

Original Report Evaluation

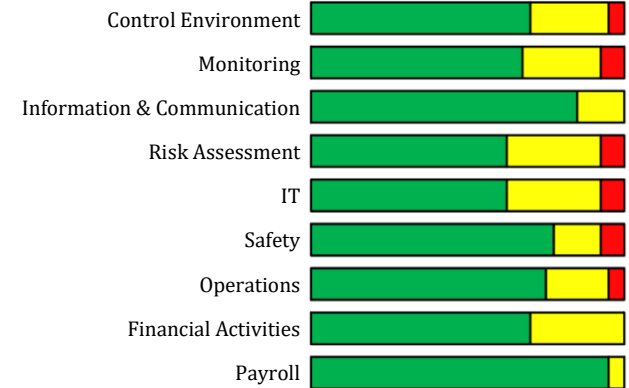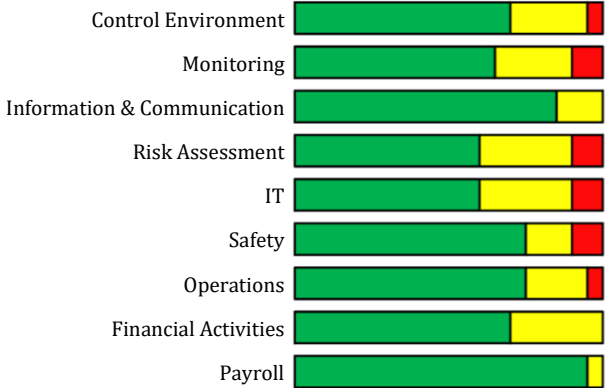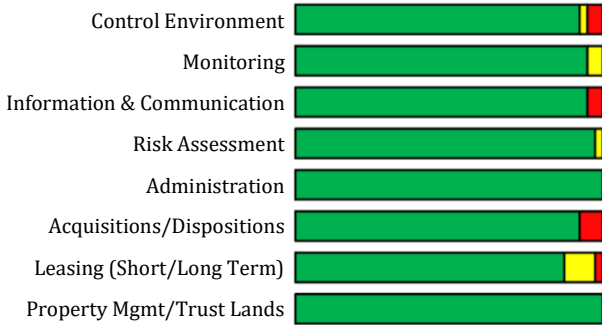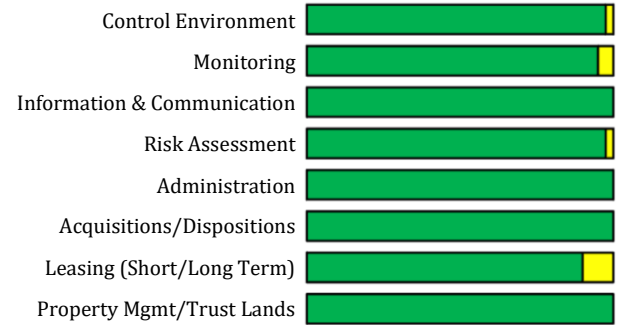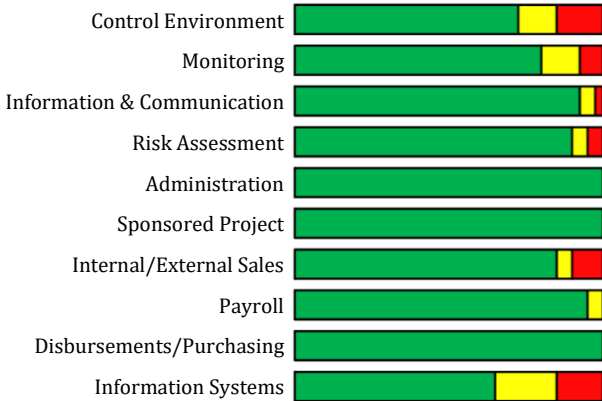# Previous Audit Period Evaluation

Current Audit Period Evaluation

Microbiology and Immunology (April 2023)

	Original Report Evaluation	Previous	Current Audit Period Evaluation
Control Environment			
Monitoring			
Information & Communication			
Risk Assessment			
Administration			
Sponsored Projects			
Payroll			
Disbursements/Purchasing			
Controlled Substances			
Academic Processes			

NO PREVIOUS CONTROL EVALUATION CHART
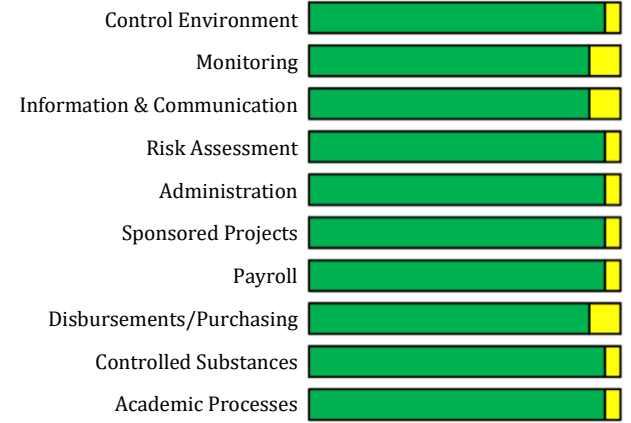
Civil, Environmental & Geo-Engineering (May 2023)

	Original Report Evaluation	Previous	Current Audit Period Evaluation
Control Environment			
Monitoring			
Information & Communication			
Risk Assessment			
Sponsored Projects			
Payroll			
Disbursements			
Academic Processes			
External Sales Activities			

NO PREVIOUS CONTROL EVALUATION CHART

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

Original Report Evaluation
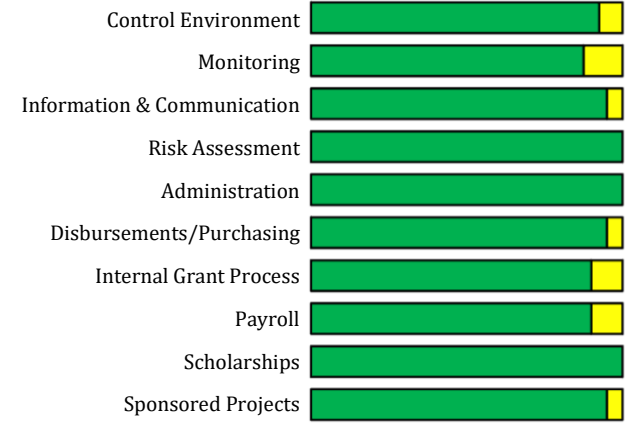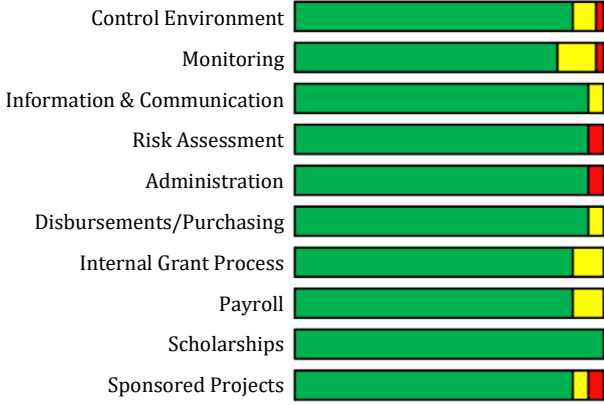
Control Environment	
Monitoring	
Information & Communication	
Risk Assessment	
Administration	
Disbursements/Purchasing	
Internal Grant Process	
Payroll	
Scholarships	
Sponsored Projects	

Previous Audit Period Evaluation

Institute on the Environment (May 2023)

NO PREVIOUS CONTROL EVALUATION CHART

Current Audit Period Evaluation

Control Environment	
Monitoring	
Information & Communication	
Risk Assessment	
Administration	
Disbursements/Purchasing	
Internal Grant Process	
Payroll	
Scholarships	
Sponsored Projects	

■ 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.
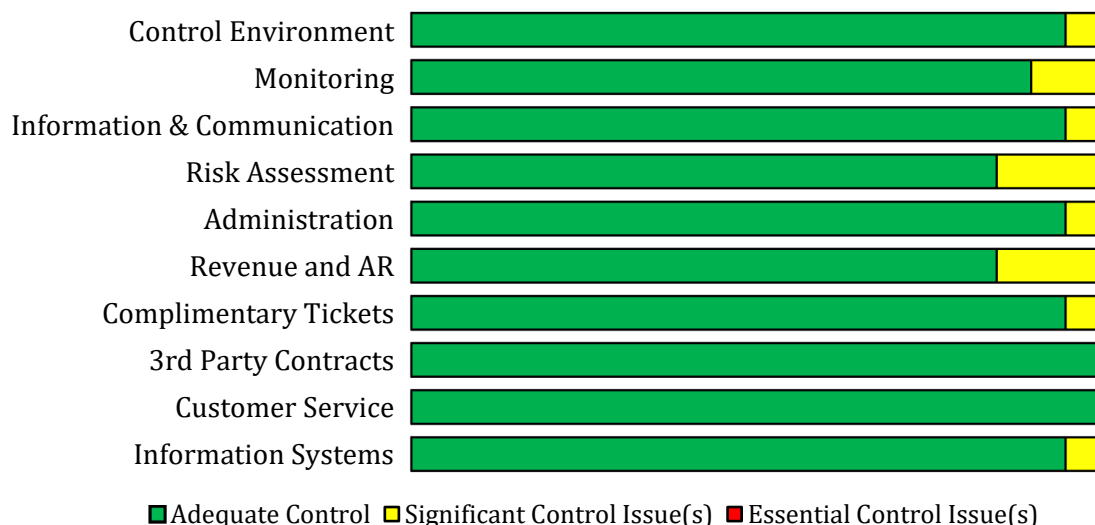
Other Audit Activities

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
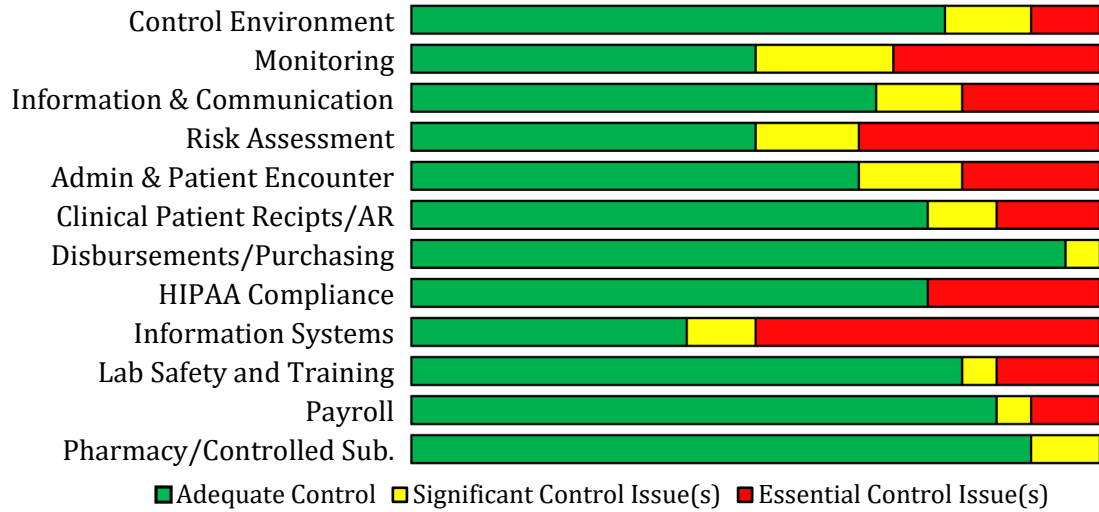
Audit Reports Issued Since June 2023

Athletics Ticket Office Control Evaluation

Category	
Control Environment	███████████████████▮
Monitoring	██████████████████▮▮
Information & Communication	███████████████████▮
Risk Assessment	█████████████████▮▮
Administration	███████████████████▮
Revenue and AR	██████████████████▮▮
Complimentary Tickets	███████████████████▮
3rd Party Contracts	████████████████████
Customer Service	████████████████████
Information Systems	███████████████████▮

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

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.
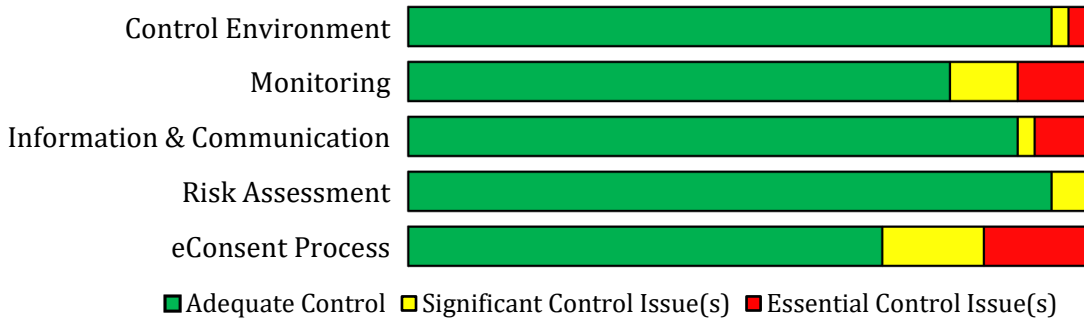
Boynton Health Control Evaluation

Category	Adequate Control	Significant Control Issue(s)	Essential Control Issue(s)
Control Environment			
Monitoring			
Information & Communication			
Risk Assessment			
Admin & Patient Encounter			
Clinical Patient Recipts/AR			
Disbursements/Purchasing			
HIPAA Compliance			
Information Systems			
Lab Safety and Training			
Payroll			
Pharmacy/Controlled Sub.			

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

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.
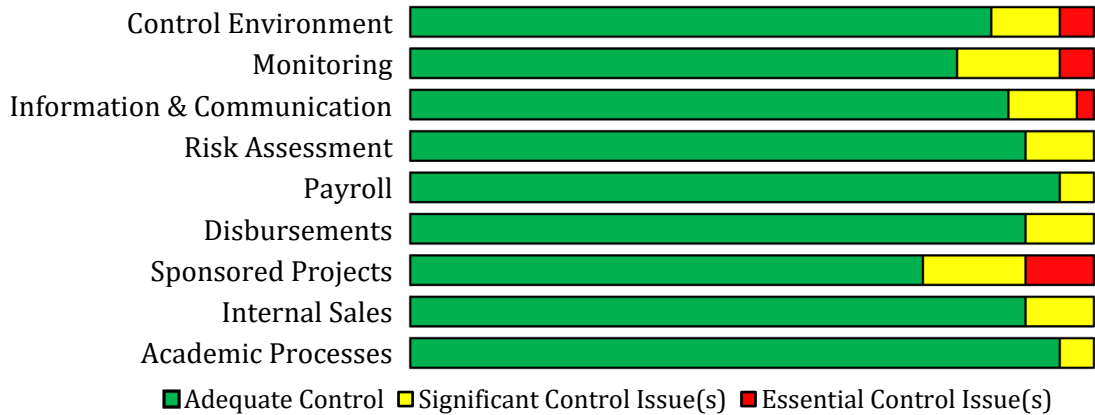
eConsent Control Evaluation

Control Environment
Monitoring
Information & Communication
Risk Assessment
eConsent Process

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

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

Control Environment
Monitoring
Information & Communication
Risk Assessment
Payroll
Disbursements
Sponsored Projects
Internal Sales
Academic Processes

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

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

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

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

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						
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.						
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