

Internal Audit Update

University of Minnesota Regents Audit and Compliance Committee
February 11, 2021

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 October 2020
- SNAP Review Summary

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

Audit Observations/Information

Status of Critical Measures

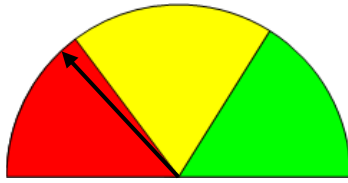
As part of our on-going efforts to provide the Audit and Compliance Committee with critical information in as concise a format as possible, we have developed the following charts to present a quick overview of work performed by the Office of Internal Audit.

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

The second chart, entitled “Resources Spent on Planned Assurance Work,” is our assessment on the amount of time we have been able to devote to planned audit work. This assessment includes our progress on completion of audits on the proposed audit list presented to the Board at the September and December 2020 Audit and Compliance Committee meetings. This chart is different than FY 2020 reporting periods’ “Progress Towards Annual Audit Plan Completion” as we did not complete a formal Audit Plan in FY 2021 due to the pandemic. Readings less than green could be influenced by a variety of factors (e.g., insufficient staff resources; increased time spent on non-scheduled audits or investigations).

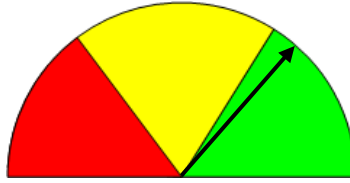
The final chart, “Time Spent on Non-Scheduled Audit Activities,” provides a status report on the amount of time consumed by investigative activities, special projects and other management requests. We estimate a budget for this type of work, and the chart will indicate whether we expect that budget to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



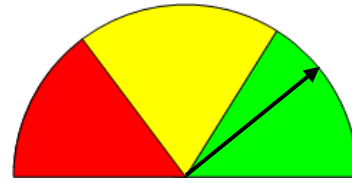
Implementation rates were 27% for the period; significantly less than our expected rate of 40%.

Resources Spent on Planned Assurance Work



Time spent on assurance audit work is in alignment with what is expected and budgeted for the year to date.

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.

Other items:

- All Office of Internal Audit staff transitioned to working remotely in March due to the COVID-19 pandemic. Audit work continues relatively smoothly because of the ongoing prompt and helpful assistance of University personnel.
- Office of Internal Audit continues to have one Information Technology Auditor position open that cannot be rehired due to the ongoing hiring freeze; this directly impacts the amount of information technology audit work we can perform.

Status of Essential Recommendations

						Current Period		Past Completion Rates	
						■ Past Due ■ On-Schedule ■ Complete			
Total Recommendations 84						Percent Completed 27.4%		Feb 2020 23.4%	
Completed Recommendations 23						Percent of open Recs Past Due 54.1%		Oct 2020 40.2%	
Report#	Audit Name	Year of Report	Open Recs - Past Due	Number of Essential Recs (Report)	Status (Follow-up Period)				
1913	Residency Determination	2019	2	4	Completed	■ 1			
					Partially Implemented	■ 2			
1918	UMC	2019	0	26	Completed	■ 1			
1919	UMD Fine Arts, School	2019	1	7	Completed	■ 4			
					Partially Implemented	■ 1			
1924	Veterinary Medicine, College	2019	1	4	Completed	■ 1			
					Partially Implemented	■ 1			
1926	Weisman Art Museum	2019	1	9	Completed	■ 1			
					Partially Implemented	■ 1			
2003	UMD Stores	2019	1	4	Completed	■ 2			
					Partially Implemented	■ 1			
2004	2019 Review of Select Advancin..	2019	1	2	Partially Implemented	■ 1			
2007	Facilities Management District Operations	2019	5	6	Not Implemented	■ 3			
					Partially Implemented	■ 2			
2008	Plant Sciences/BBE	2019	0	2	Completed	■ 1			
2009	Psychiatry & Behavioral Science..	2019	1	2	Not Implemented	■ 1			
2010	Disaster Recovery of Information Systems, FY20	2019	4	9	Completed	■ 1			
					Not Implemented	■ 2			
					Partially Implemented	■ 2 ■ 4			
2011	Emergency Management&Continuity of Ope..	2019	3	6	Completed	■ 2			
					Partially Implemented	■ 3			
2012	Veterinary Diagnostic Laborator..	2020	3	8	Partially Implemented	■ 3			
2014	UMN Duluth Admissions, Office of FY20	2020	1	3	Completed	■ 2			
					Not Implemented	■ 1			
2016	Student Finance, Office of FY20	2020	3	5	Partially Implemented	■ 3			
2020	Public Safety IT, Dept of FY20	2020	4	8	Not Implemented	■ 1 ■ 2			
					Partially Implemented	■ 3 ■ 2			
2022	University Purchasing Contract Management, FY20	2020	0	2	Completed	■ 1			
					Partially Implemented	■ 1			
2024	Aurora Center FY20	2020	0	1	Completed	■ 1			
2026	Lab Medicine and Pathology, FY20	2020	1	5	Completed	■ 1			
					Not Implemented	■ 3			
					Partially Implemented	■ 1			
2101	Central Job Scheduling, FY21	2020	1	7	Completed	■ 1			
					Not Implemented	■ 3			
					Partially Implemented	■ 1 ■ 2			
2102	UMN Duluth Student Life Admini..	2020	0	1	Partially Implemented	■ 1			
2103	International Scholars, FY21	2020	0	1	Completed	■ 1			
2105	Pharmacology, Dept of FY21	2020	0	2	Completed	■ 2			
2106	University Health & Safety, FY21	2020	0	10	Not Implemented	■ 1			
					Partially Implemented	■ 9			

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

Audit/ Report Date	Status- Partially Implemented (P) or Not Implemented (N)	Senior Management Contact	Summary of the Issue/Risk Involved	Current Comments From Management
Residency Determination January 2019 # of Items 2	Partially Implemented Partially Implemented	Stacey M. Tidball, J.D.	<p>The Office of the Executive Vice President and Provost should consider whether the residency determination process for graduate and professional schools should be centralized to ensure consistent residency decisions are applied. If the decision is made to have initial residency remain a decentralized process the criteria for residency determination should be well defined for these schools. Consideration could be given to whether the undergraduate verification process criteria could be used across the University. Clear guidelines should be established for when a student chooses to defer their admission to a future term. Uniform application questions for use in residency determination might warrant study and consideration. Once criteria has been established, guidance and training should be provided to staff within the graduate and professional schools who are involved with residency decisions and periodic monitoring should be performed within the Provost Office to assess consistency in residency decisions.</p> <p>The owner of the residency page should implement formal monitoring processes to help detect unauthorized changes to the residency page, which include residency status changes and distribution of residency tuition waivers. PeopleSoft reports should be created that show all activity of a single user, and all activity for a specified time period. The monitoring of these reports could be performed by each unit responsible for residency decisions for their students.</p>	<p>Per the Director, Continuity & Compliance, Academic Support Resources: The undergraduate residency determination function was moved to Academic Support Resources (ASR) July 1, 2019, after this audit was completed. ASR's first priority was to onboard the residency coordinator into ASR and immediately cross-train a backup for this process to ensure support for the sole position. As part of the review of audit findings, the Provost's Office determined that residency decisions would remain decentralized at the graduate and professional level.</p> <p>Once these decisions were made, ASR began to reach out to the colleges and graduate and professional schools to form a committee to create and establish guidelines for more consistency. In 2019, ASR also made a request for a position to formally monitor residency decisions and this position was denied. ASR has been looking at other alternatives to accomplish this task and is continuing to develop a strategy. However, in March Covid-19 hit and our office as well as colleges were diverted into solving several other priority problems. ASR was not initially involved in this audit and has been working to implement solutions to Internal Audit's standards as soon as time allows.</p>

Total: 2

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. As discussed at the June Committee meeting, the Office of Internal Audit will confirm and evaluate remediation efforts as part of a future audit of Identity and Access Management.

Identity and Access Management Status Update:

This is the 2nd status update to the Identity and Access Management collaborative assessment conducted by Internal Audit and The Office of Information Technology and presented to the Board of Regents Audit Committee in June 2020.

The IAM program has executed on the strategy outlined during the September 2020 update and will continue to adapt our priorities to best serve the University's IT needs. Below, we have provided a table that outlines several of the accomplishments made on our mitigation plan, as well as a high-level update on our current strategic direction for the IAM program. The "Accomplishments" column in the table highlights some of the key steps we have taken related to the identified risk, and the bolded items are ones added since our last update.

Accomplishments:

Category	Accomplishments	Road Map Phase	Decisions	Process/ Education	Technology	Risk Level
IAM Strategy	<ul style="list-style-type: none"> -IAM Governance Committee established as a decision making body under authority of EOCC -SAFe methodology successfully implemented to foster collaboration, alignment, and delivering consistent and predictable results -Building roadmap and dual-planning the remediation of risks in conjunction with other operational tasks 	IAM Operations/ Onboarding	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	High
IAM Team Staffing	<ul style="list-style-type: none"> -Senior Director hired -Hiring freeze exception request approved for 3 open positions -Operations team need/ask reviewed, 10 positions are still required. -Two of three open positions filled 	IAM Foundational Efforts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	High
IAM Policies and Procedures	Completed security gap analysis for all IAM technologies	IAM Foundational Efforts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Medium
IAM System Classification	SAFe methodology positioned to help create prioritization and visibility of in-progress work	IAM Foundational Efforts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	High
IAM Metrics and Reporting	<ul style="list-style-type: none"> -IAM metrics routine has been instituted -Engaged OIT Site Reliability Engineering (SRE) team to identify key metrics in the IAM space for performance and system health monitoring. These will be implemented over the next year. 	IAM Foundational Efforts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Low
Technology Sustainability	<ul style="list-style-type: none"> -New technology implemented for Boynton BAA deprovisioning process automation implemented -Team prioritization shifted to eliminate technical debt and prepare for technology replacements. This is a prerequisite to achieve the resolution of many audit findings -Work to scale the Boynton BAA deprovisioning process to other BAA units is in process 	IAM Foundational Efforts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low

Accomplishments (continued):

Category	Accomplishments	Road Map Phase	Decisions	Process/ Education	Technology	Risk Level
Criteria for de-provisioning	Ongoing effort with OHR to standardize Emeritus definitions in PeopleSoft and the Identity Management system	Access Deprovisioning	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	High
IAM Risk Awareness	-Completed security gap analysis for all IAM technologies -Building roadmap and dual-planning the remediation of risks in conjunction with other operational tasks -Sharing risk findings with IAM Governance to increase awareness with business partners	IAM Operations/ Onboarding	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Low
Identity Source Upkeep	Current foundational effort to clearly define existing person and identity types to enable future work efforts in this space	Modernized Account Types	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Low
Role/Group Management	-Pilot activities for deprovisioning at the end of employment completed. Technology is now positioned for broader access deprovisioning across the University -Due to IAM Team Staffing Risk (see above), the team is working to provide access to these resources in a Center of Excellence model for units to leverage as a temporary first step	Group Based Access Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	High
Access Termination	-Pilot activities for deprovisioning at the end of employment completed. Technology is now positioned for broader access deprovisioning across the University -IAM is working to provide access to these resources in a Center of Excellence model for units to leverage as a temporary first step due to IAM Team Staffing Risk (see above) -New technology implemented for Boynton BAA deprovisioning process automation implemented -Work to scale the Boynton BAA deprovisioning process to other BAA units is in process	Access Deprovisioning	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	High
Management of Non-standard and 3rd Party Accounts	Proof of Concept for supplemental accounts process completed. Future work on this has been put on hold due to IAM Team Staffing Risk (see above).	Modernized Account Types	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	High

Strategic direction:

The IAM Program is focused on value to the University by optimizing the IAM team's capabilities during the current pandemic conditions, which are projected to continue.

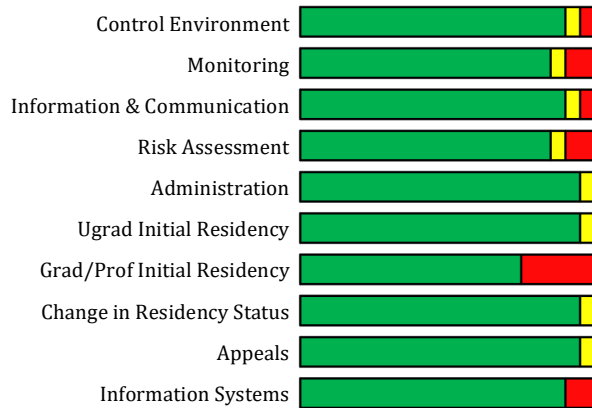
Reduce technology: The most critical part of the IAM transformation is the retirement of several legacy systems. Eliminating legacy systems early means we are reducing risk, freeing up resources tied to those systems, and is work that can be done with minimal work load impact to other areas of the University.

Reduce Program Footprint (Core IAM): The IAM Program must also be managed with precision. There are many problems that the IAM Program is charged with resolving, but some work is more valuable than other work. For instance, making sure we have effective deprovisioning of access can help the University better manage costly licenses when students, faculty and staff decide to end their relationship with the University.

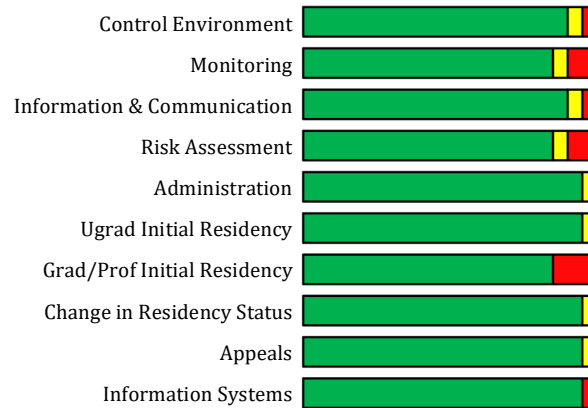
Well Managed Workloads: The IAM Program cannot be improved unless it can be measured. To make the IAM Program measurable, it will be adopting the Scaled Agile Framework (SAFe) methodology. The IAM team will also transition to routing all operational and support work through our change management system. These two changes will not only create two measurable channels of work, but it will also create transparency for the IAM team's work and the prioritization of that work.

The bar charts shown below are presented to provide pictorial displays of the progress units are making on implementing audit recommendations rated as "essential." The bar chart included in the original report is shown in the left column, along with updated bar charts showing the previous quarter and the current status of the "essential" recommendations only (those bars that have red segments). The chart in the center column displays the status as of October 2020, while the chart on the right represents the current status. Charts are not presented for investigations. Charts for those units having implemented all "essential" recommendations during the current quarter are shown at the end of this report.

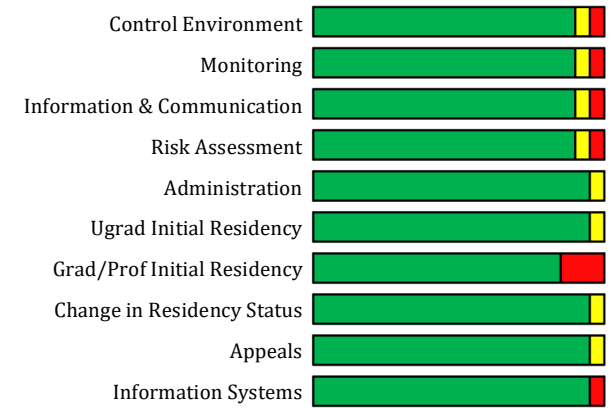
Original Report Evaluation



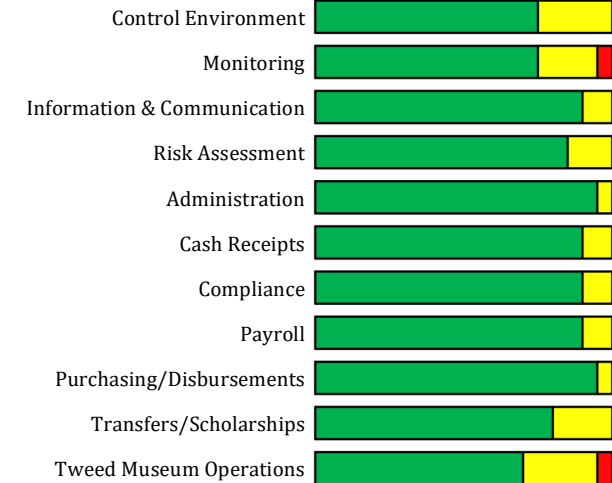
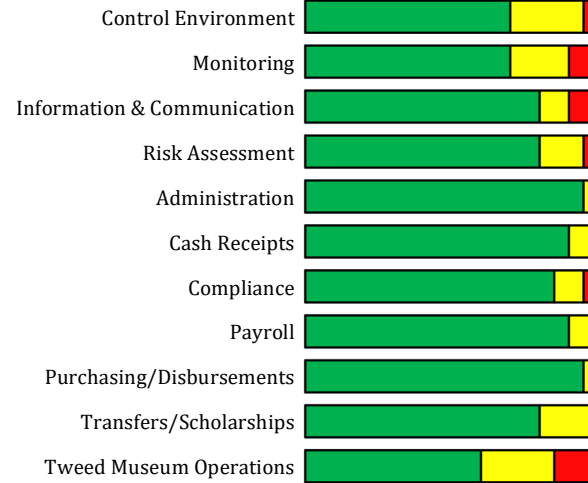
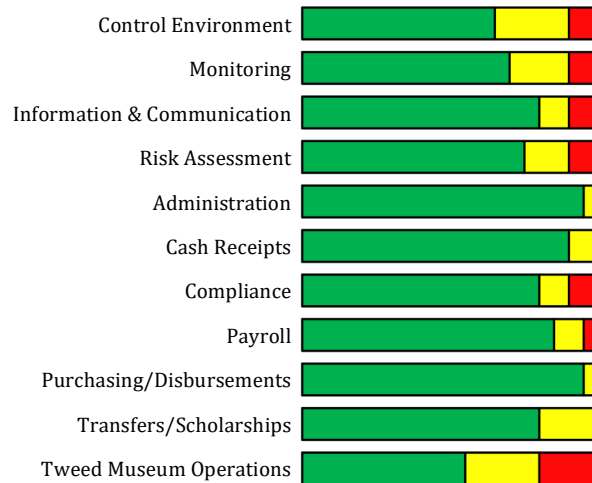
Previous Quarter Evaluation Residency Determination (Jan 2019)



Current Quarter Evaluation



UMD Fine Arts (Mar 2019)



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

Original Report Evaluation



Previous Quarter Evaluation

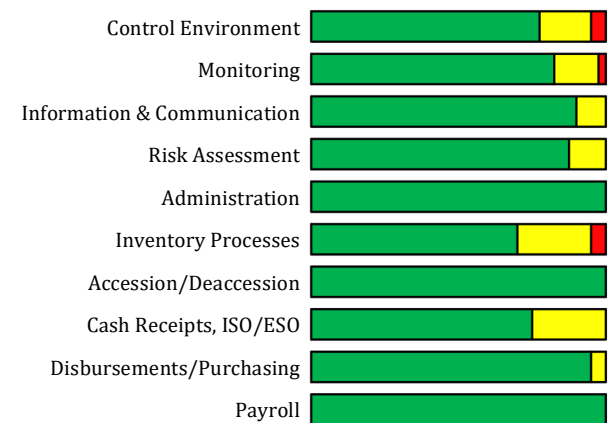
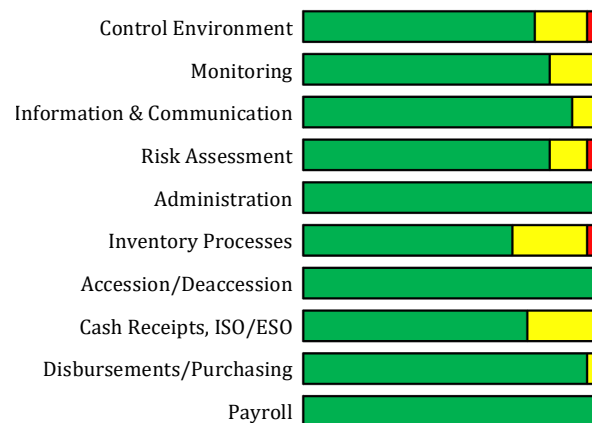
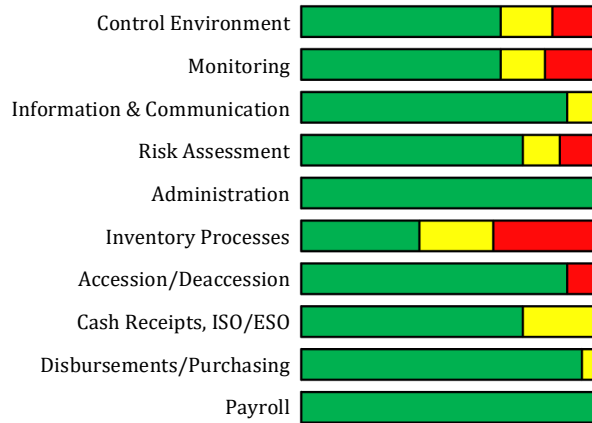
College of Veterinary Medicine (May 2019)



Current Quarter Evaluation



Weisman Art Museum (Jun 2019)



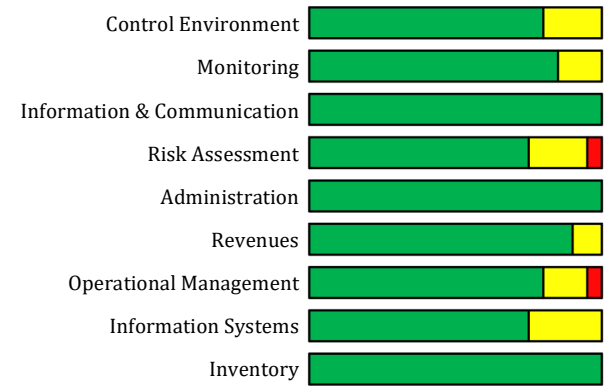
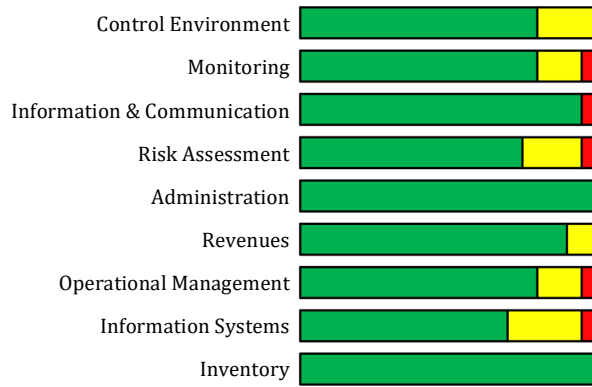
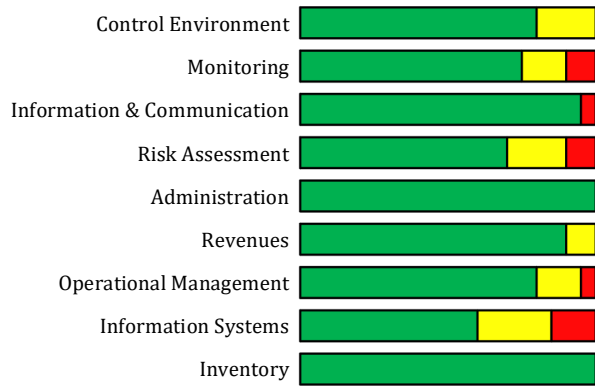
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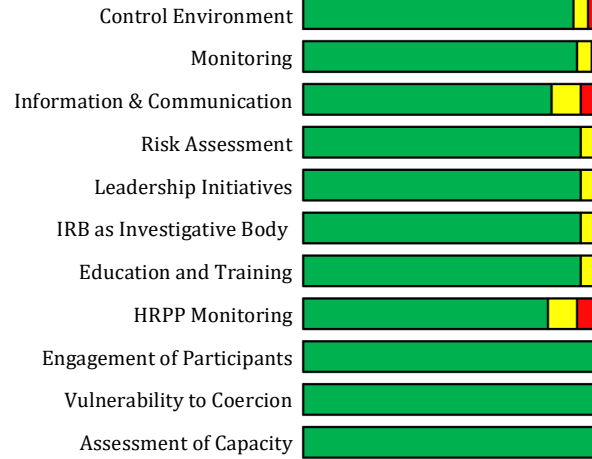
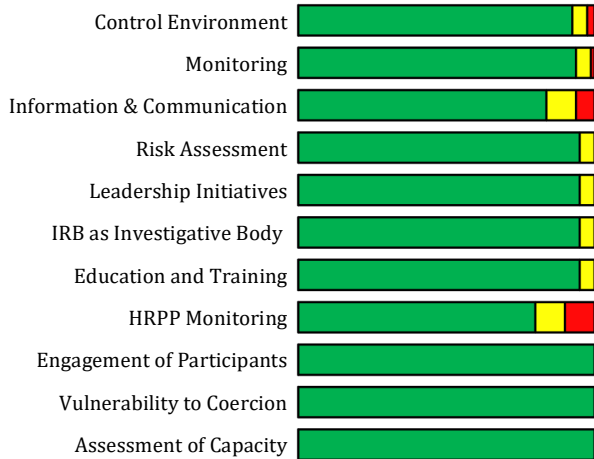
Previous Quarter Evaluation

Current Quarter Evaluation

UMD Stores (Including Print Shop and U Card Office) (Aug 2019)



2019 Review of Select Advancing HRP (Sept 2019)



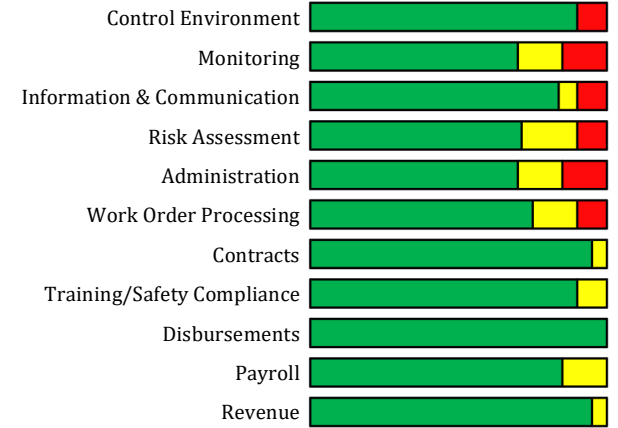
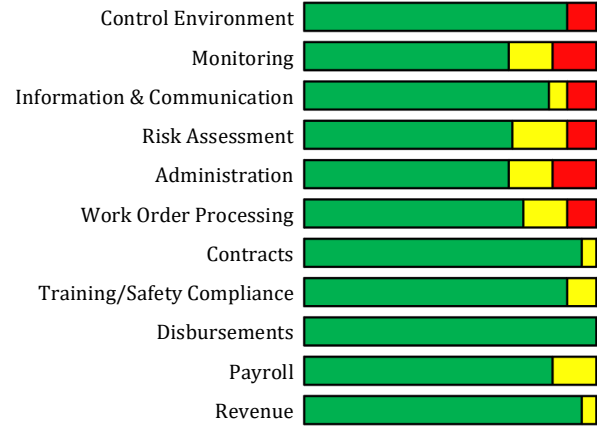
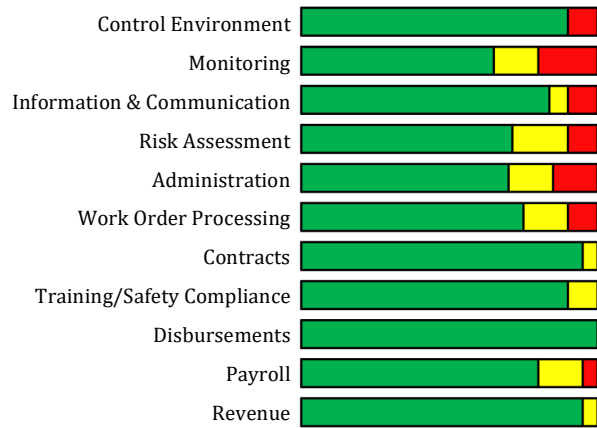
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Original Report Evaluation

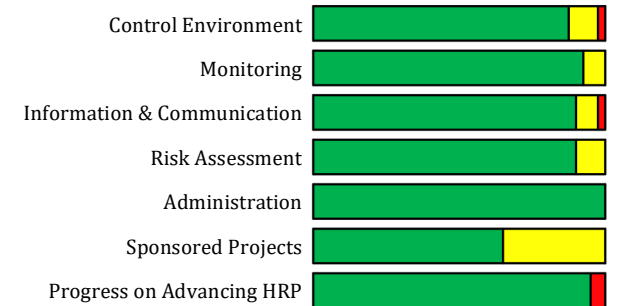
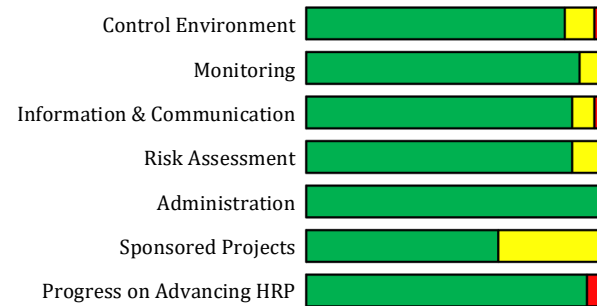
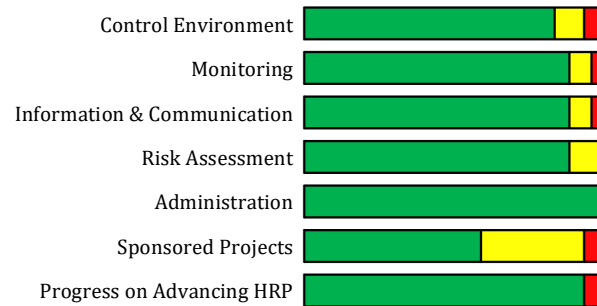
Previous Quarter Evaluation

Current Quarter Evaluation

Facilities Management District Operations (Sept 2019)



Psychiatry & Behavioral Sciences - Research (Sept 2019)



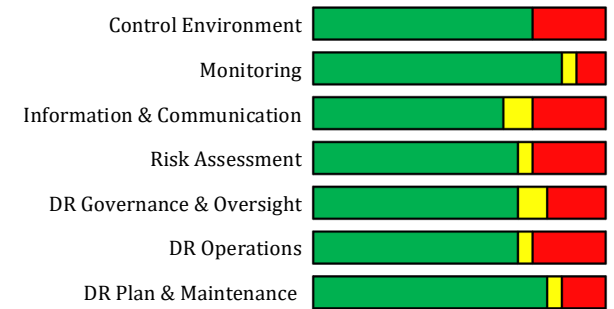
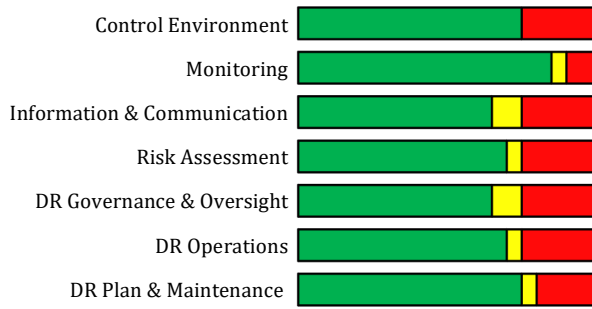
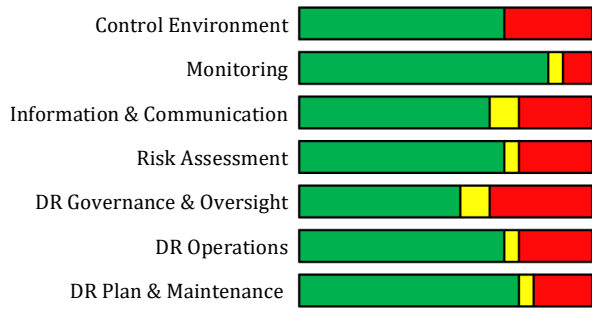
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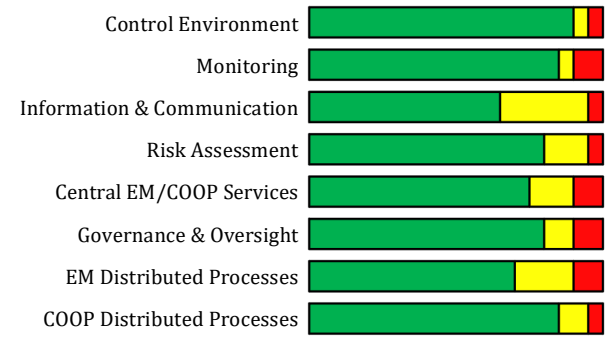
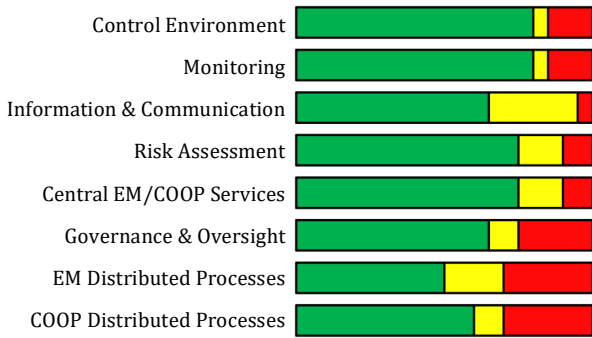
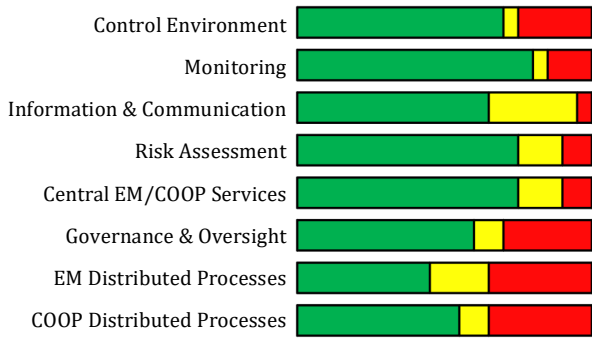
Previous Quarter Evaluation

Current Quarter Evaluation

Disaster Recovery of Information Systems (Oct 2019)

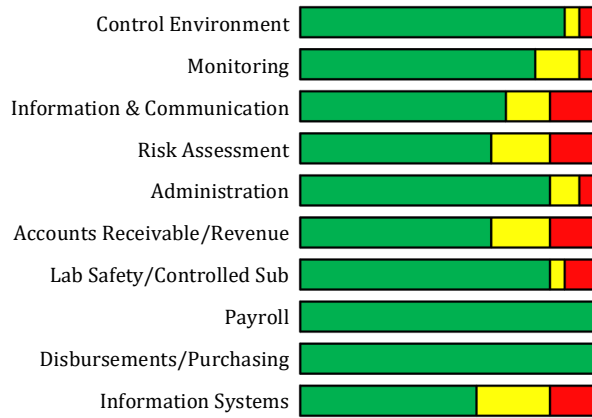


Emergency Management and Continuity of Operations (Oct 2019)



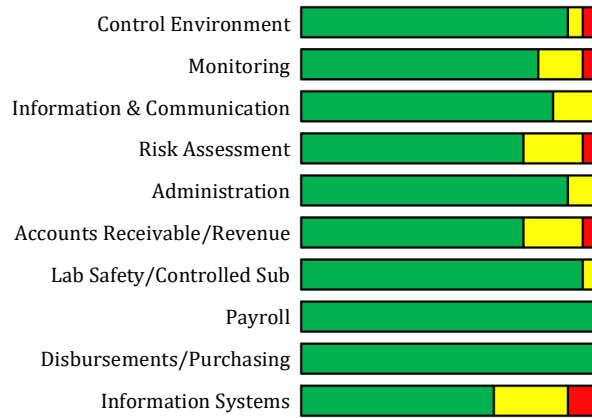
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Original Report Evaluation

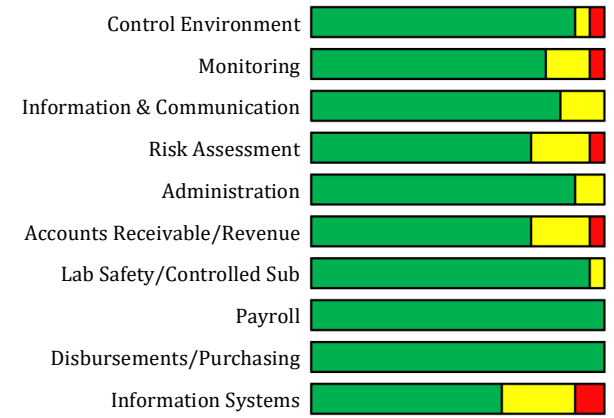


Previous Quarter Evaluation

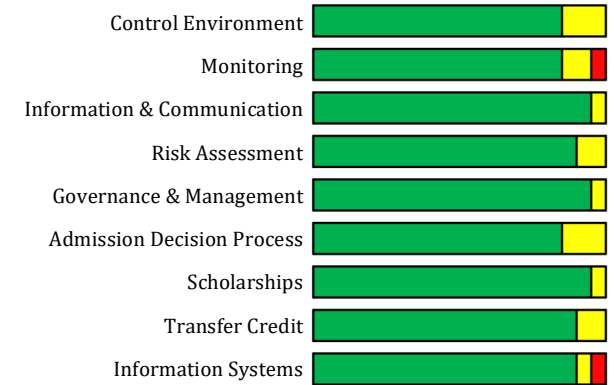
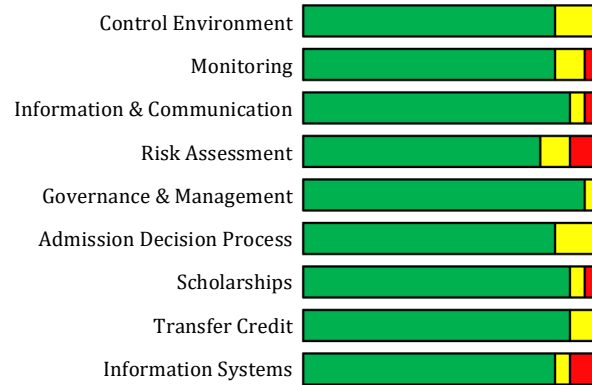
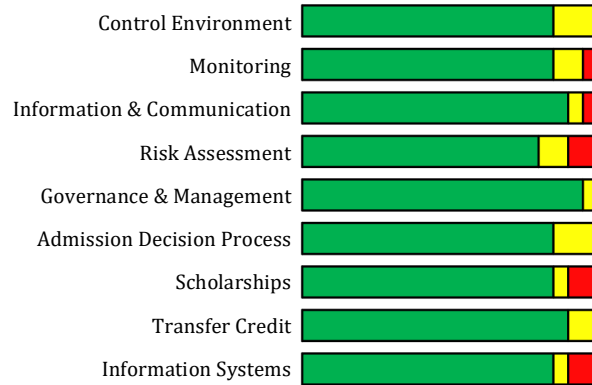
Veterinary Diagnostic Laboratory (Jan 2020)



Current Quarter Evaluation

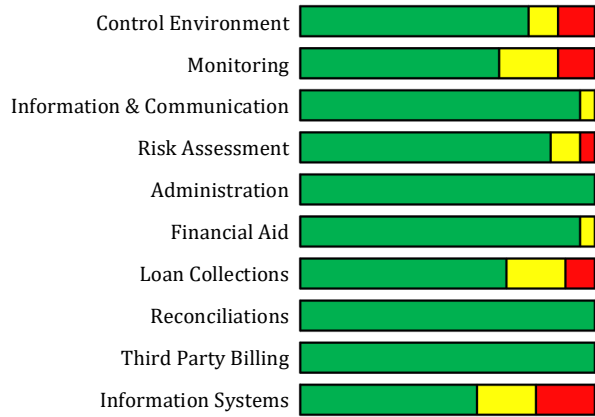


UMN Duluth Office of Admissions (Feb 2020)



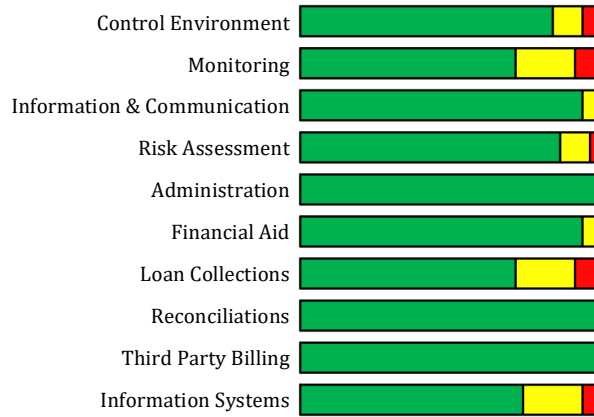
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Original Report Evaluation

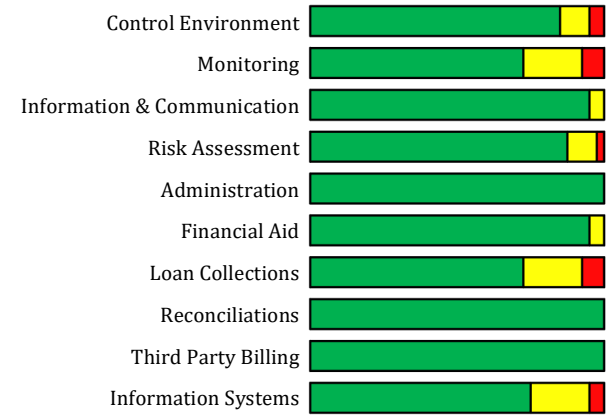


Previous Quarter Evaluation

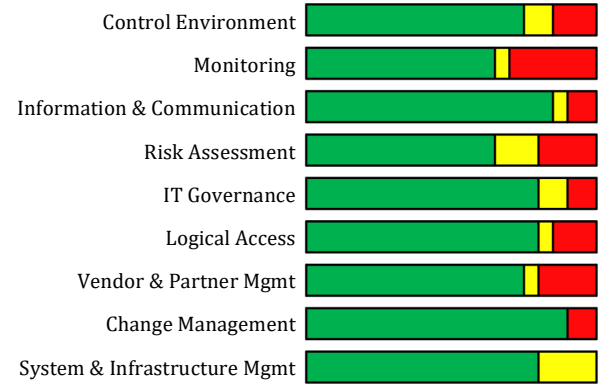
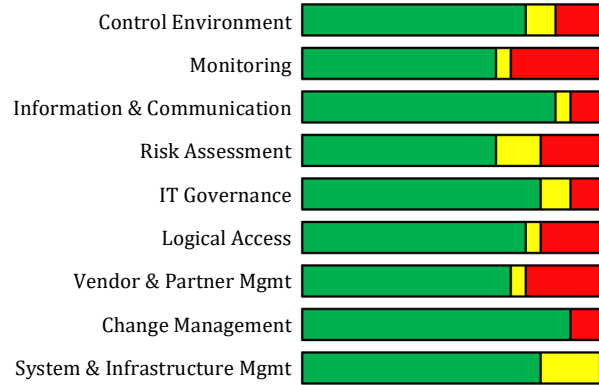
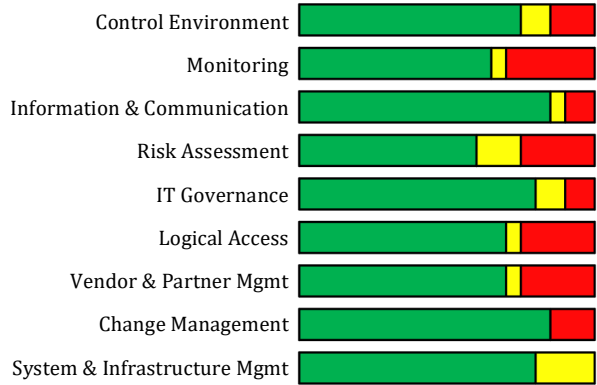
Office of Student Finance (Mar 2020)



Current Quarter Evaluation



Dept of Public Safety IT (May 2020)



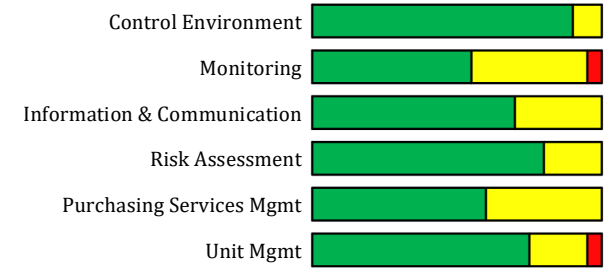
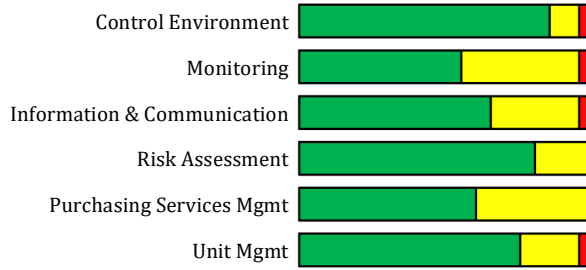
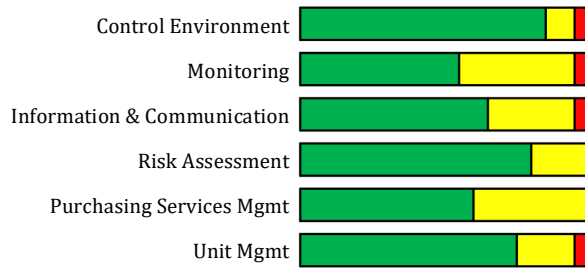
■ Adequate Control
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Original Report Evaluation

Previous Quarter Evaluation

Current Quarter Evaluation

University Purchasing Contract Management (May 2020)



Laboratory Medicine and Pathology (June 2020)

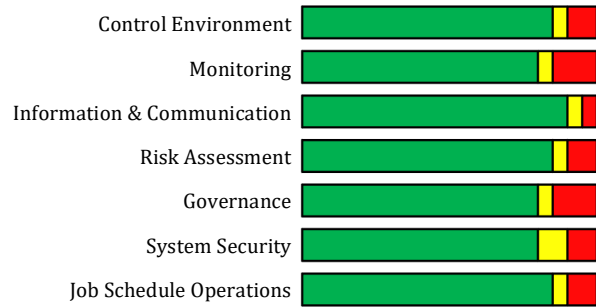


NO PREVIOUS
CONTROL EVALUATION
CHART



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

Original Report Evaluation

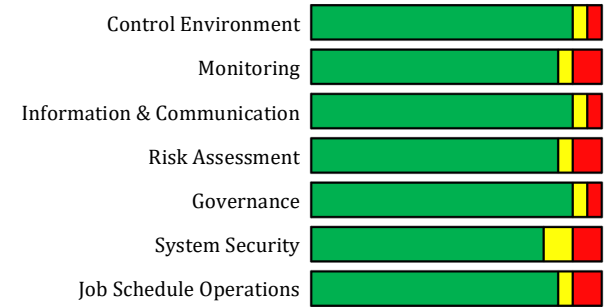


Previous Quarter Evaluation

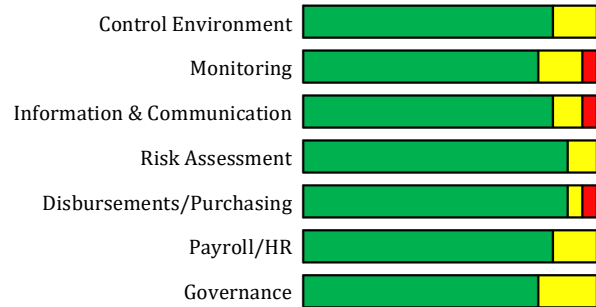
Central Job Scheduling (July 2020)

NO PREVIOUS
CONTROL EVALUATION
CHART

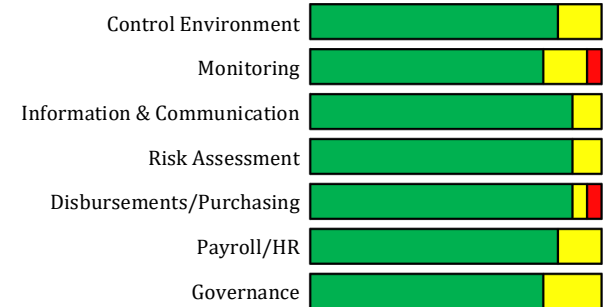
Current Quarter Evaluation



UMN Duluth Student Life Administration (Sept 2020)



NO PREVIOUS
CONTROL EVALUATION
CHART



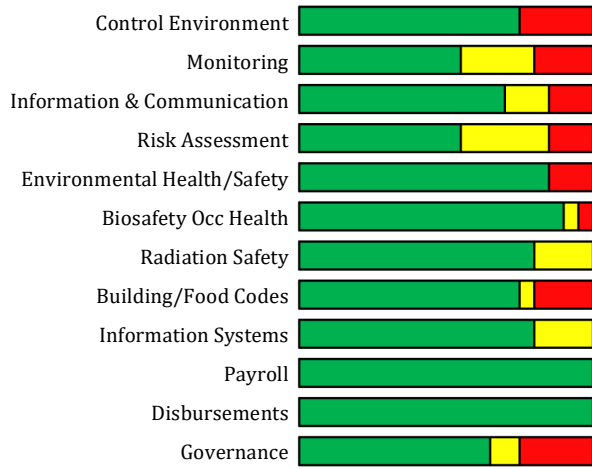
■ Adequate Control ■ Significant Control Issue(s) ■ Essential Control Issue(s)

Original Report Evaluation

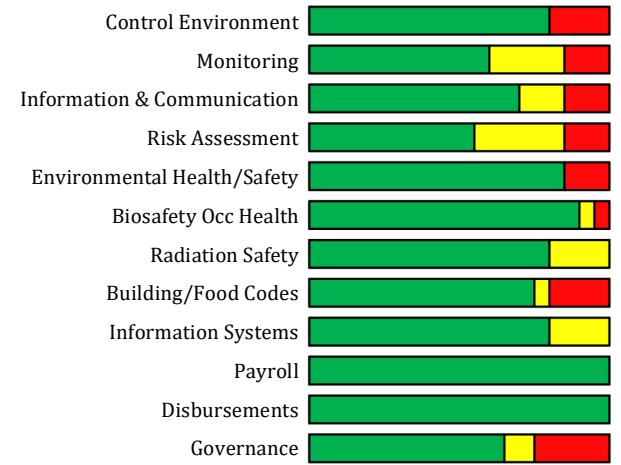
Previous Quarter Evaluation

Current Quarter Evaluation

University Health & Safety (Oct 2020)



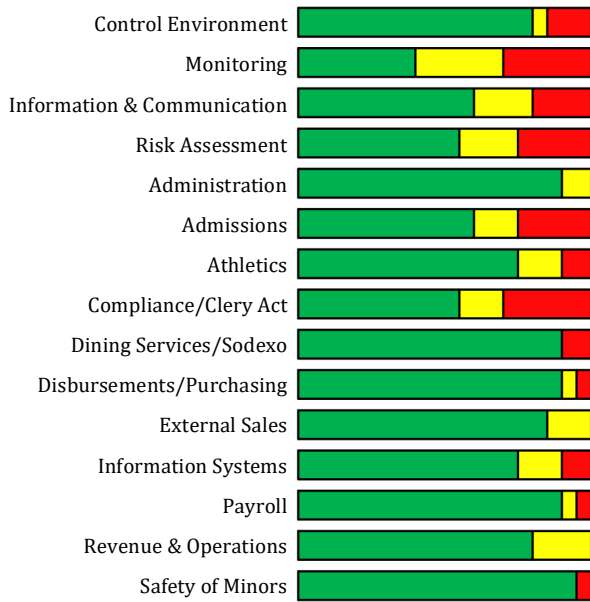
NO PREVIOUS
CONTROL EVALUATION
CHART



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

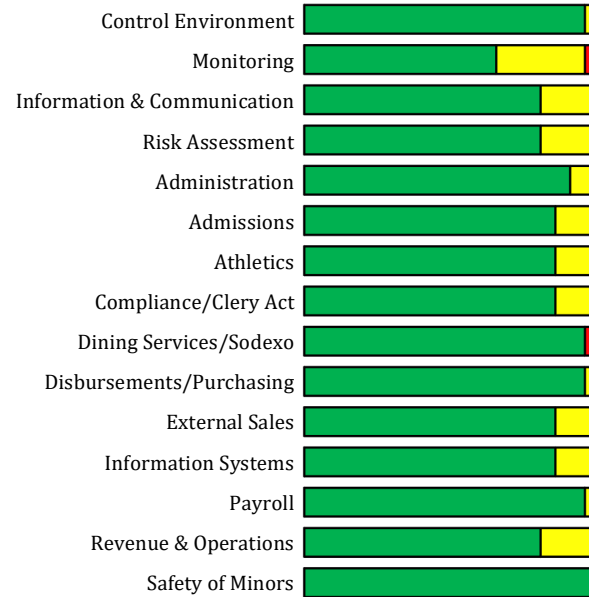
Units with Charts that Fully Implemented their "Essential" Recommendations During the Past Quarter

Original Report Evaluation

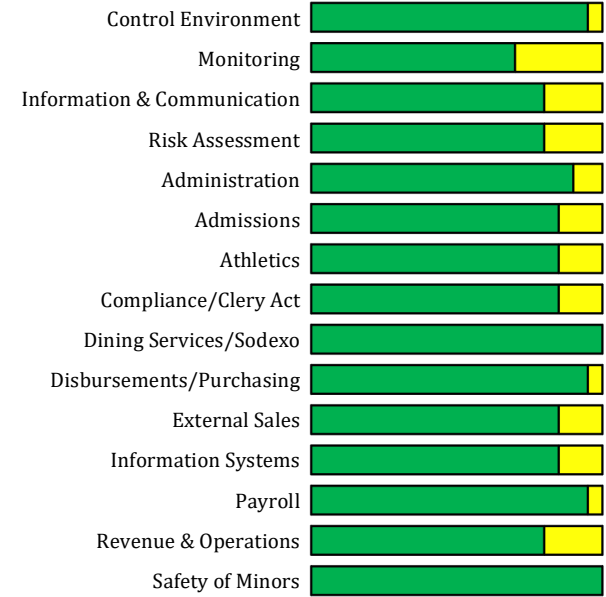


Previous Quarter Evaluation

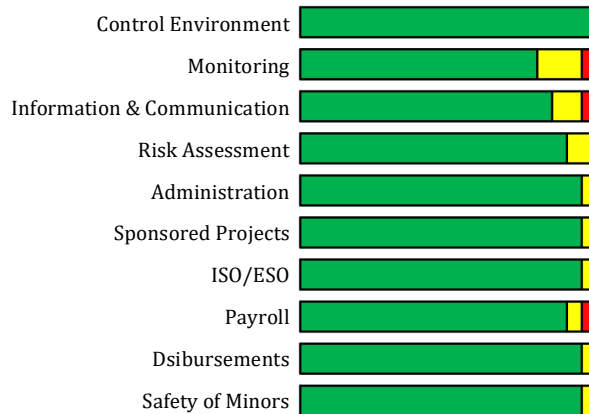
University of Minnesota, Crookston (Jan 2019)



Current Quarter Evaluation

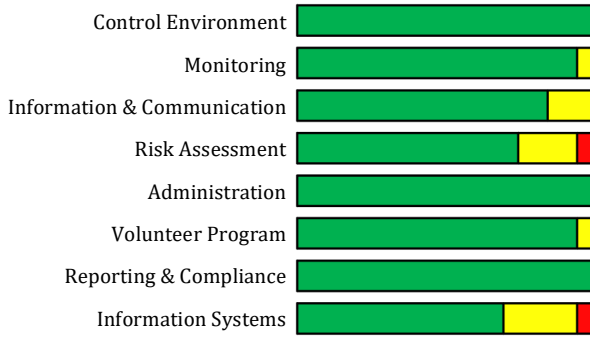


CFANS - Plant Sciences/BBE (Sept 2019)



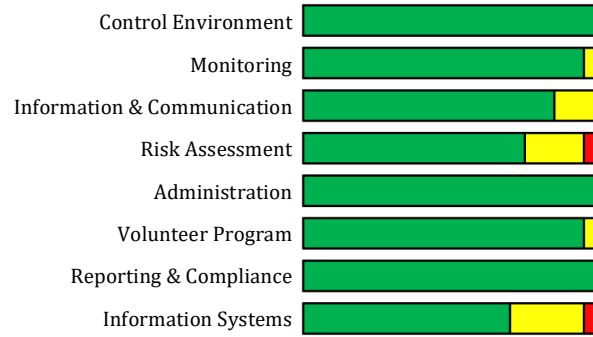
■ Adequate Control
 ■ Significant Control Issue(s)
 ■ Essential Control Issue(s)

Original Report Evaluation

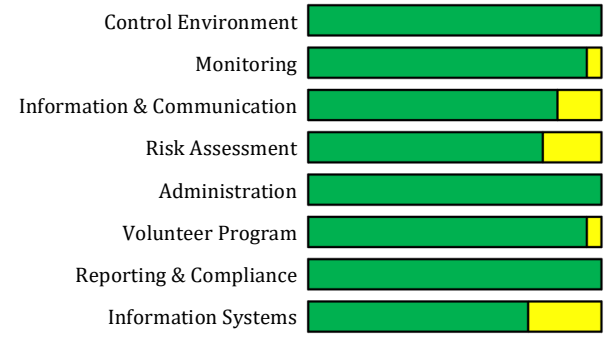


Previous Quarter Evaluation

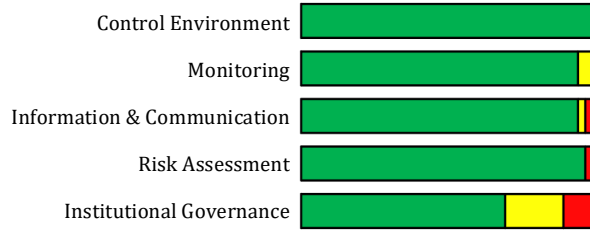
Aurora Center for Advocacy and Education (May 2020)



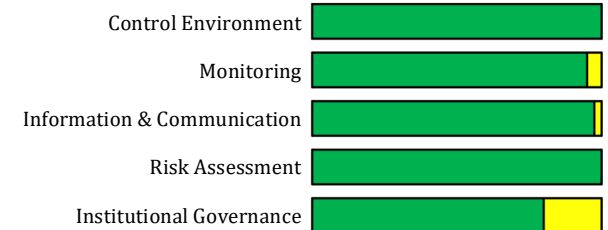
Current Quarter Evaluation



International Scholars (July 2020)



NO PREVIOUS
CONTROL EVALUATION
CHART



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

Original Report Evaluation



Previous Quarter Evaluation

Pharmacology (Oct 2020)

NO PREVIOUS
CONTROL EVALUATION
CHART

Current Quarter Evaluation



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

Audit Activity Report

Scheduled Audits

Completed Audits Of:

- Transition Review – CEHD Dean
- Transition Review – Sr. VP for Finance and Operations
- CFANS Southern Research and Outreach Center (Waseca)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act
- U Market Services
- Baseball and Softball Compliance and Operations
- UMN Duluth Labovitz School of Business and Economics (LSBE)
- Anatomy Bequest Program
- Prepaid Debit Card Program
- OIT Business Services' Application Development
- Idle Time Charged to Sponsored Awards
- Retirement Plan Asset Transition

Began/Continued Audits Of:

- Telehealth Security and Compliance
 - College of Science and Engineering Dean's Office
 - Foreign Gift and Contract Reporting
 - Internally Granted Research
 - Compliance with Remote Working Purchasing Policies
 - Northrop
 - BOR Internal Reporting
 - School of Dentistry
 - Openness in Research
 - UMN Duluth Human Resources
 - Central Help Desk and Device Management
 - Canvas and Unizin
 - Employee Immigration (Collaborative Assessment)
-
- Continued review of the Enterprise Access Management (EAM) implementation project management.
 - Completed five "SNAP Reviews" on the following topics: Gift Revenue Deposit, Travel During the Pandemic, Human Participant Payment Justifications, Inactive Employees' Purchasing/Travel Cards, and Work Study During Extended Reduced Operations.

Investigations

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

Special Projects

- Provided consulting services related to University payroll exception testing.
- Provided technology consulting in several areas including: high risk data storage and compliance.

Other Audit Activities

Participated in the following:

- President's Cabinet
- Senior Leadership Group
- President's Policy Committee
- Policy Advisory Committee
- Board of Regents Policy Committee
- Executive Compliance Oversight Committee
- Institutional Conflict of Interest Committee
- University of Minnesota Foundation Audit Committee
- Fairview Health Systems Audit Committee
- IT Leadership Committees
- HRPP Advisory Committee
- Research Compliance Committee
- P & A Senate
- Data Center Co-Location Initiative
- Data Storage Council
- Highly Restricted Readiness Workgroup
- Metropolitan Council Audit Committee
- Quality Assurance Review (QAR) for Arizona State University's Internal Audit Department

Audit Reports Issued Since October 2020

Dean CEHD Transition Review

Due to the audit not resulting in any issues considered either "essential" or "significant" a control evaluation chart was not developed for this report.

Report #	2107	Issue Date	Oct-20
# of Essential Recs.	0	Total # of Recs.	0
Overall Assessment	Good	Adequacy of MAP	NA

We believe the activities of the former CEHD Dean reflect a prudent use of University resources and thoroughness in the necessary administrative functions required for a smooth transition to the new Dean. Interviews with the Chief Financial Officer/Chief of Operations and HR Director, as well as a review of HR and financial data noted no significant new/increased deferred compensation agreements, and no large financial transfers to the former Dean's new unit. Administratively, all expense reports, vacation leaves, performance appraisals, and Reports of External Professional Activities submissions of direct reports have been completed and approved.

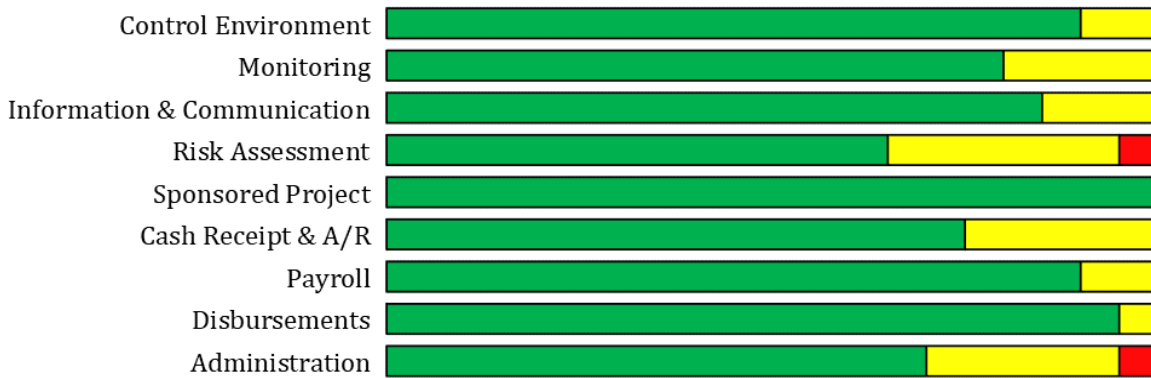
SVP Finance and Operations Transition Review

Due to the audit not resulting in any issues considered either "essential" or "significant" a control evaluation chart was not developed for this report.

Report #	2108	Issue Date	Oct-20
# of Essential Recs.	0	Total # of Recs.	0
Overall Assessments:	Good	Adequacy of MAP	NA

Interviews with the Chief of Staff and HR Director, as well as a review of HR and financial data, noted no significant new/increased deferred compensation agreements and no large financial transfers to the former Senior Vice President's new unit. Administratively, all expense reports, vacation leaves, performance appraisals, and Reports of External Professional Activities submissions of direct reports have been completed and approved.

Southern Research & Outreach Center (SROC) - Waseca



Report #	2109	Issue Date	Nov-20
# of Essential Recs.	1	Total # of Recs.	13
Overall Assessments:	Good	Adequacy of MAP	Satisfactory

The Southern Research and Outreach Center (SROC), is one of ten Research and Outreach Centers strategically located around the state as part of the College of Food Agricultural and Natural Resource Sciences. There are 926 acres dedicated to research, outreach and teaching activities. While efficient and effective production practices remain a major focus of the research, education and outreach programs at the SROC, equally vital today are the development of new technologies and practices that have positive impacts on food production systems, human health, renewable energy and the environment. The audit resulted in one issue considered “essential” related to compliance with University Safety of Minors policy. It also resulted in twelve recommendations rated as significant. These recommendations are intended to assist SROC in their efforts to improve procedures and controls in cash receipts/accounts receivable processes, IT management, payroll/HR processes, contract management, field training, and disbursement procedures, as well as to evaluate other financial options to address SROC’s business planning needs.

Coronavirus Aid, Relief, and Economic Security (CARES) Act

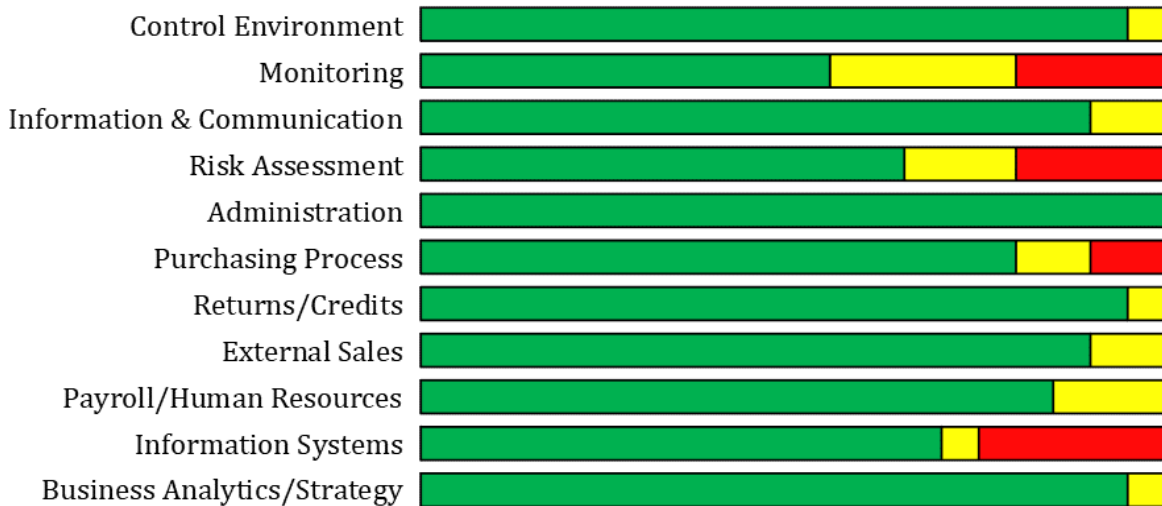
Due to the audit not resulting in any issues considered either “essential” or “significant” a control evaluation chart was not developed for this report.

Report #	2110	Issue Date	Dec-20
# of Essential Recs.	0	Total # of Recs.	0
Overall Assessment	Good	Adequacy of MAP	NA

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted on March 27, 2020 and the Department of Education established the Higher Education Emergency Relief Fund (HEERF) in relation to the act. The CARES Act provided approximately \$14 billion to U.S. higher education institutions across the country through that fund. The University of Minnesota received \$35.8 million in funds from the HEERF and expects to receive about \$2.1 million in CARES Act funds through other channels. Half the HEERF funds received were distributed to students to provide relief during the pandemic and half were used to provide relief to the institution itself. The University established a CARES oversight group to ensure proper governance over CARES activities and a level of consistency across campuses. The group was intended to create common processes and understanding of requirements and also to create a path for the escalation of key decisions and the identification of potential issues for collective management. Based on our work performed, we believe the University’s execution of the processes for awarding and utilizing the funds it received from the CARES Act meets the commitments and regulations governing the funds received.

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

U Market Services



Report #	2111	Issue Date	Dec-20
# of Essential Recs.	9	Total # of Recs.	19
Overall Assessments:	Adequate	Adequacy of MAP	Satisfactory

On July 1, 2013, the University's eProcurement site went live under the new brand "U Market" (a combination of U Stores and U Mart). Today U Market offers access to more than 4 million items supported in a fully electronic environment. Since the formation of U Market, total spend has increased \$28M with 15 additional suppliers. The increase in spend can be attributed to an increase in supplier offerings and an increase in University high volume suppliers within U Market. Total orders steadily increased until FY20 when there was a drop due to COVID and reduced University operations. From the results of the audit work performed, we believe U Market has developed a control environment and a system of internal control that addresses most major business and compliance risks. However, improvements are needed to ensure compliance with the University's Information Security Policy as there are seven essential recommendations related to IT. It should be noted that UMS systems do not store any credit card or HIPAA data.

Baseball and Softball Compliance and Operations

BB/SB Compliance & Operations Name of Audit



Support Unit Compliance & Operations Control Evaluation



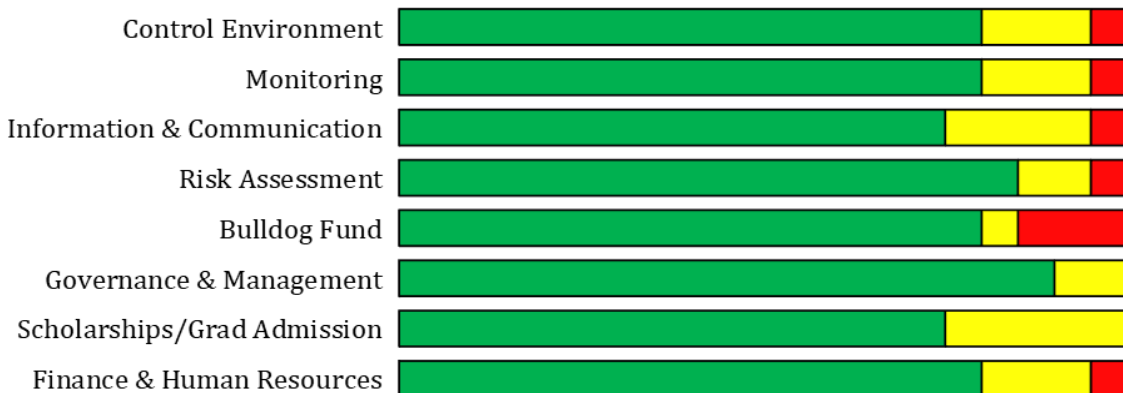
■ Adequate Control
 ■ Significant Control Issue(s)
 ■ Critical Control Issue(s)

Baseball and Softball Compliance and Operations (continued)

Report #	2112	Issue Date	Dec-20
# of Essential Recs.	2	Total # of Recs.	9
Overall Assessment:	Good	Adequacy of MAP	Satisfactory

The Baseball and Softball programs work with the Athletics Business Office (ABO) for financial transaction processing and assistance in complying with University financial policies. The ABO reports to the Athletics Director. The Baseball and Softball programs also work with the Office of Athletic Compliance (OAC) to ensure compliance with NCAA and Big Ten rules and regulations. The audit resulted in two recommendations considered “essential” to minimizing existing operational and compliance risks. The first one is the responsibility of the sport programs and is related to ensuring compliance with the Safety of Minors policy for the sport camps. The second essential item is the responsibility of the Athletics Business Office and/or Administration to verify chartered transportation is properly approved and reviewed by the Risk Management Office and OGC. The audit also resulted in seven recommendations rated as “significant” which are designed to help assist in improving controls and procedures in the following areas: the baseball booster club, reporting of sport time management, and compliance document retention.

UMN Duluth Labovitz School of Business and Economics (LSBE)

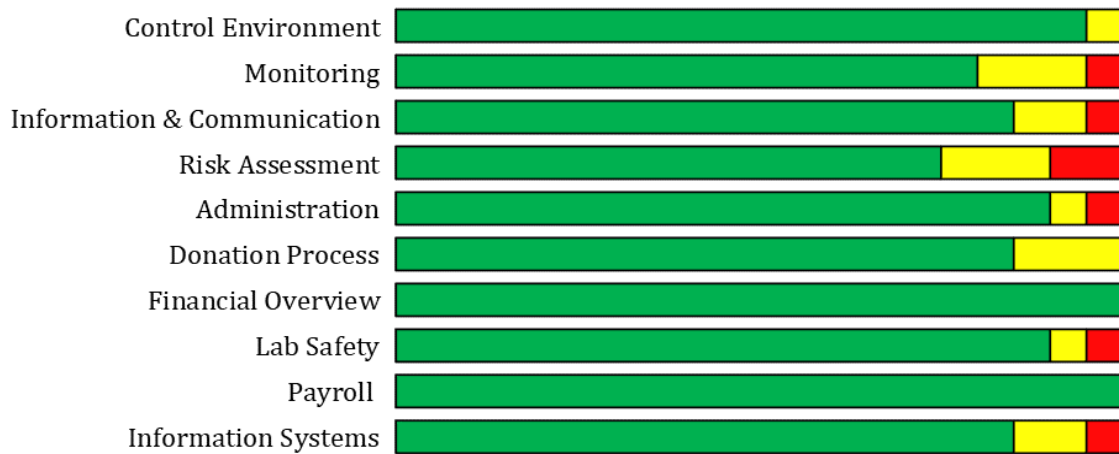


Report #	2113	Issue Date	Dec-20
# of Essential Recs.	3	Total # of Recs.	14
Overall Assessment:	Good	Adequacy of MAP	Satisfactory

Labovitz School of Business and Economics (LSBE) is the business and economics college for UMN Duluth. LSBE’s four instructional departments include: Accounting and Finance, Economics and Health Care Studies, Management Studies, and Marketing. LSBE’s Financial Markets Program, a specialized program within Accounting and Finance, manages the Bulldog Fund through student courses with oversight from financial professionals; the fund currently holds over \$2 million in investments. LSBE is considered a lower risk unit and our audit work confirmed LSBE is generally well-controlled except for a few critical concerns we identified related to the Bulldog Fund. Two of the three essential recommendations are associated with the Bulldog Fund and relate to a lack of independent oversight of fund activities, including withdrawing funds, and need to review and update authorized account holders. The third essential recommendation is in response to an instance where bus services were purchased without properly obtaining an OGC approved contract, or involving the University’s Risk Management department.

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

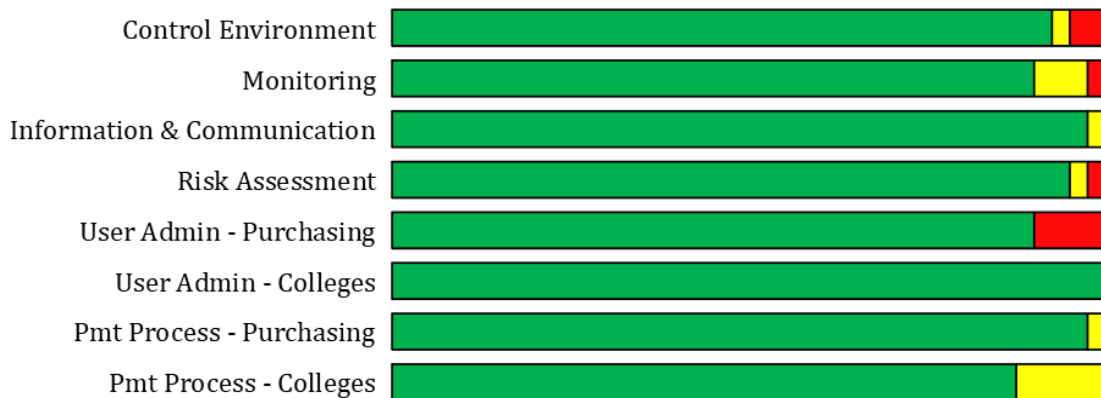
Anatomy Bequest Program



Report #	2114	Issue Date	Dec-20
# of Essential Recs.	3	Total # of Recs.	10
Overall Assessment	Good	Adequacy of MAP	Satisfactory

The Anatomy Bequest Program (ABP) at the University of Minnesota began in 1901. ABP is the 3rd largest bequest program in the United States that receives whole body donations. Whole body donation is a form of non-transplant anatomical donation made under the Darlene Luther Uniform Anatomical Gift Act (UAGA). From the results of the audit work performed, we believe ABP has developed a control environment and a system of internal control that addresses most major business, compliance, and information technology risks. ABP demonstrates a strong commitment to maintaining an ethical and confidential program. ABP is committed to abiding by donor wishes, upholding ethical standards, and improving their practices as needed. However, there are three issues considered "essential" which include: security of sensitive rooms, lab safety training requirements, and monitoring higher risk activity in the database and following up as needed.

Prepaid Debit Card Program

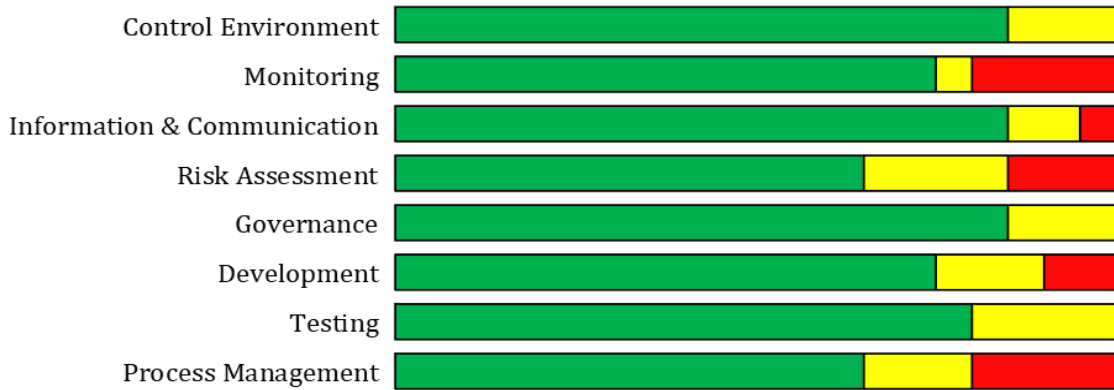


Report #	2115	Issue Date	Dec-20
# of Essential Recs.	2	Total # of Recs.	5
Overall Assessment	Good	Adequacy of MAP	Satisfactory

The prepaid debit card is a payment method where a payment to an individual is issued through a reloadable debit card. The program offers a secure method for compensating individuals and a platform to conveniently load, track, and report payments. The card is assigned to an individual and loaded with funds by programs and projects through a portal, called the "ClinCard portal". The prepaid debit card program was launched in January 2017 and the primary recipients for prepaid debit cards are human participants on research studies, students, and non-employees. Purchasing Services has implemented many well-designed controls to address risks and is committed to compliance and continual improvement of the program; however, improvement is needed to enhance the controls over portal access including establishing a formal user administration process and periodic access reviews.

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

OIT Business Services' Application Development



Report #	2116	Issue Date	Dec-20
# of Essential Recs.	3	Total # of Recs.	11
Overall Assessment	Adequate	Adequacy of MAP	Satisfactory

OIT Business Services is responsible for application level development activities for several applications across the University, including the Custom Application Platform (CAP). We believe Business Services has developed an adequate control environment and system of internal controls to address most risks. This is partly due to the CAP systems not being high risk and several positive aspects of the team's control. However, there are some areas of non-compliance with University policy, and the control processes Business Services have implemented are not enforced systematically, through segregation of duties, or through independent monitoring. In addition, user access controls for the tools and systems require enhancements and documentation for many of the change management processes are not consistently maintained.

Idle Time Charged to Sponsored Awards

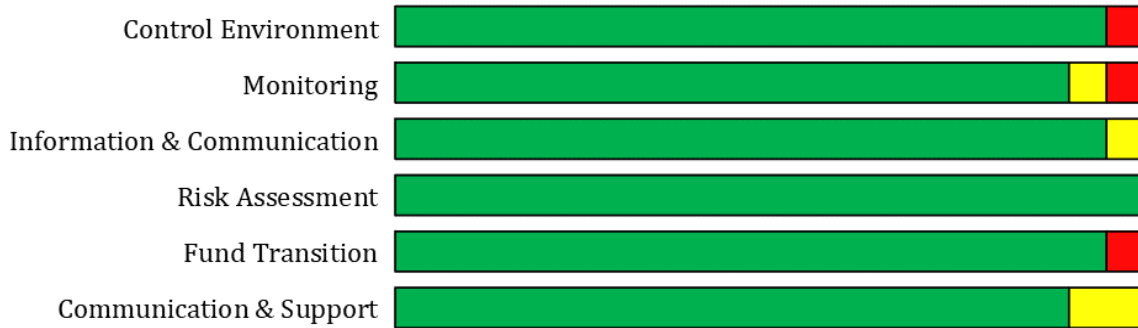


Report #	2117	Issue Date	Dec-20
# of Essential Recs.	1	Total # of Recs.	1
Overall Assessment	Good	Adequacy of MAP	

Due to the pandemic, a large portion of University employees are required to work remotely. In cases where an employee's work could not be performed remotely the University decided to continue to pay these employees for "idle" time. Per a series of memos published by the US Office of Management and Budget, supported by the University Office of the Vice President for Research, payroll expenses for idle time were allowed on most sponsored funds for a specified time period, eventually ceasing on all funding sources effective October 26, 2020. From the results of the audit work performed, we believe the financial impact of paying idle employees' salaries with sponsored funds due to the pandemic was relatively low; however, approximately 2,400 hours totaling \$54,000 of idle salaries was charged on sponsored funds University-wide outside the allowable time period. Our recommendation is intended to assist Sponsored Financial Reporting, the Office of the Vice President for Research, and applicable college departments to monitor and move idle time charges to appropriate funding sources where noncompliance was identified.

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

Retirement Transition



Report #	2118	Issue Date	Jan-21
# of Essential Recs.	1	Total # of Recs.	3
Overall Assessment	Good	Adequacy of MAP	Satisfactory

The execution of the retirement plan provider transition to Fidelity was generally well controlled and in alignment with the commitments outlined in strategy documents. We confirmed that all retirement plan assets affected were properly accounted for post transition, and the steps necessary have been taken to ensure the future administration of the retirement plan contributions are consistent with participant allocations and directions. However, two issues were identified, which stem from more limited University oversight post transition. The only essential issue relates to one Securian fund, which was not transitioned to the proper fund in Fidelity. Some problems with customer service during and after the transition to Fidelity were also identified; especially for some retirees who had problems with their plan distributions. Some issues are expected during a transition of this magnitude, and weekly meetings are held between Fidelity and OHR to discuss issues. However, the University placed considerable reliance on Fidelity to handle post transition customer service issues, and it is not clear that these were always being resolved in a timely and comprehensive manner.

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

SNAP Review Summary

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

Gift Revenue Deposit

We reviewed University-wide compliance with the "Accepting and Managing Gifts" policy.

Travel During the Pandemic

We reviewed whether there was staff/faculty travel during the period when non-essential University foreign and domestic travel was banned, and determined how departments handled travel requests when restrictions were reduced (i.e., approval obtained).

Human Participant Payment Justifications

We reviewed compliance with confidentiality requirements in transaction justifications involving human participant payments.

Inactive Employees' Purchasing/Travel Cards (PCard/TCard)

We reviewed inactive employees with access to live Purchase Cards (PCard) and Travel Cards (TCards), and ensured monitoring practices were in place to track PCard/TCard policy noncompliance for inactive employees.

Work Study During Extended Reduced Operations

We reviewed whether Federal and State Work Study funds were used appropriately during the Extended Reduced Operations period.