<u>Internal Audit Update</u>

University of Minnesota Regents Audit and Compliance Committee
October 13, 2022

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 2022
- 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 "Resources Spent on Planned 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 2022 and Tier 1 audits on the FY 2023 audit plan. 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).
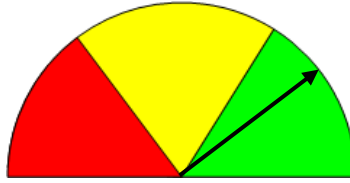
The final chart, "Time Spent on Non-Scheduled Audit Activities," provides a status report on the amount of time consumed by investigative activities, special projects and other management requests. We estimate a budget for this type of work, and the chart will indicate whether we expect that budget to be sufficient. Continued readings in the yellow or red may result in seeking Audit and Compliance Committee approval for modifying the Annual Audit Plan.
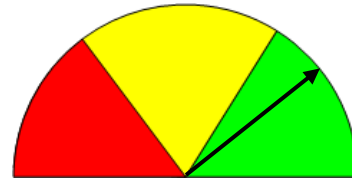
Essential Recommendation Implementation	**Resources Spent on Planned Assurance Work**	**Time Spent on Non-Scheduled Audit Activities**
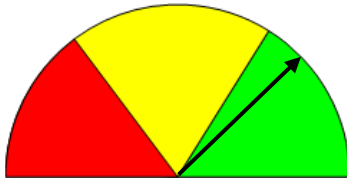
Implementation rates were 44% for the period; higher than our expected rate of 40%.

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

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

Other items:

- The Office of Internal Audit recently hired an IT Audit Director and a financial auditor. We currently have three vacant positions, which includes one IT auditor and two financial auditor positions. 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 value
1919	UMD Fine Arts, School FY19	1	7	Partially Implemented	1
1926	Weisman Art Museum FY19	0	9	Completed	1
2009	Psychiatry & Behavioral Sciences Research FY20	0	2	Completed	1
2011	Emergency Management & COOP FY20	0	6	Completed	1
2020	Public Safety IT, Dept of FY20	0	8	Completed	1
2101	Central Job Scheduling FY21	0	7	Completed	1
2106	University Health & Safety FY21	1	10	Partially Implemented	1
2112	Baseball & Softball Compliance & Ops FY21	0	2	Completed	1
2122	Telehealth Security & Compliance FY21	1	4	Partially Implemented	1 1
2123	Board of Regents Internal Reporting FY21	0	1	Completed	1
2127	UMD HR FY21	1	4	Not Implemented	2
				Partially Implemented	1
2203	OIT Service Desk & Device Management FY22	0	7	Completed	4
				Partially Implemented	2
2205	Dentistry, School of FY22	9	27	Completed	8
				Not Implemented	5
				Partially Implemented	4 2
2207	Canvas & Unizin FY22	1	5	Completed	1
				Partially Implemented	1 2
2212	SPH HPM FY22	0	1	Partially Implemented	1
2219	Family Medicine & Community Health FY22	1	3	Completed	2
				Partially Implemented	1
2220	UMD Health Services FY22	0	10	Completed	3
				Not Implemented	4
				Partially Implemented	3
2221	UMTC Housing & Residential Life FY22	0	2	Completed	1
				Partially Implemented	1

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

Audit/Report Date	Status- Partially Implemented or Not Implemented	Responsible Administrator	Summary of the Issue/Risk Involved	Current Comments From Management
UMN Duluth Fine Arts March 2019 **# of Items: 1**	Partially Implemented	Jeremy Youde	Tweed management should improve inventory and valuation records for its art collection. Specifically, Tweed should: • 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.	The 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. Earlier this year, the President's Office offered support to assist CAHSS in remediating this recommendation. Given this support, the CAHSS Dean's Office is now working with the UMD Controller's Office and Purchasing Services to prepare a request for proposal (RFP) for an external firm to complete the Tweed inventory with current valuations for its collections. The UMD Controller's Office expects the RFP to be issued within the next few weeks. Tweed's staffing challenges continue to impact progress. Most notably, the Tweed director resigned in late August 2022. Additionally, the Tweed has an open curator position, and the registrar position will be vacated in September 2022 with the retirement of Tweed's longtime registrar. Despite these staffing challenges, the CAHSS Dean's Office and UMD Controller's Office assert they are committed to completing this work as quickly 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.	University Health and Safety, with support from Senior Leaders, will work to develop, implement and manage a centralized safety training program. Progress to date includes proposal and work group development and engagement of the Project Management Office to carry out Phase 1, which includes scope development, data validation and solution identification. It's anticipated that this project will take 1 to 2 years. Obstacles to closing this item include the complexity associated with centralizing training (system, authority, scope) and required consultation with various stakeholders and departments to define and support next steps.

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.

Identity and Access Management (IAM) Status Update:

This is the 7th status update to the Identity and Access Management collaborative assessment conducted by Internal Audit and the Office of Information Technology.

The IAM program has continued to evolve the strategy introduced during the October 2020 update and will continue to adapt our priorities to best serve the University's IT needs.

As discussed during the May 2021 audit committee update, staffing challenges will continue to slow progress on remediating issues identified in the 17 of the 25 IAM components reviewed. Despite this challenge, the university-wide appetite for collaboration is increasing and progress was made in areas that were not previously addressed. Since the last update, the IAM team enabled a non-human account type. This account type was successfully used to enable Wi-Fi in the 4H Building during the Minnesota State Fair and plans are underway to expand the available use cases. Additionally, OIT, Health Information Privacy & Compliance Office, and Graduate Medical Education were able to pilot the removal of email data from former students with access to PHI.

Since the June 2022 update and in addition to the previously mentioned accomplishments, IAM has increased its efforts to remove legacy systems from the University technology landscape. The effort has required significant effort and staff augmentation from OIT to assist our system-wide partners in their transition from the product. Once completed, IAM will have more capacity to shift their focus to the technology being acquired through our RFP process. Implementation of this new technology will represent the replacement of three distinct pieces of deeply embedded legacy technology, the elimination of specialized skill sets needed to maintain those systems, and the enablement of future OIT technology strategies.

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 since the June 2022 update. 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	Risk Level
IAM Strategy	-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 -Finalized roadmap and dual-planning the remediation of risks in conjunction with other operational tasks -Refreshed IAM Roadmap updated to reflect emerging post-pandemic conditions	IAM Operations/ Onboarding	High
Accountability, Roles and Responsibilities	-Continued collaboration th EDMR to establish definitions and ownership for Person-Of-Interest accounts	IAM Foundational Efforts	High
IAM Team Staffing	-Senior Director hired -Hiring freeze exception request approved for 3 open positions -Three open positions filled -Operations team need/ask reviewed, 10 positions are still required. -Identified 17 Audit findings that are blocked by staffing needs -Center of Excellence model implemented to move service forward while staffing investments are resolved	IAM Foundational Efforts	High
IAM Policies and Procedures	-Completed security gap analysis for all IAM technologies -Plan to remediate all security gaps by the end of FY 22	IAM Foundational Efforts	Medium
IAM System Classification	-SAFe methodology positioned to help create prioritization and visibility of in-progress work -IAM Security Gap Remediation effort in process, will partially remediate finding	IAM Foundational Efforts	High
IAM Metrics and Reporting	-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.	IAM Foundational Efforts	Low
Technology Sustainability	-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 complete -Authentication stablization -SSL certificate technology and process rehoming complete -Analysis of directory use cases and best practices -**Identity Tool Replacement finalist negotiations initiated** -**Retirement effort for legacy technology in progress** -**Technology automation efforts complete** -**Analysis of email account usage complete. Deprovisioning planning underway**	IAM Foundational Efforts	Low

Accomplishments (continued):

Category	Accomplishments	Road Map Phase	Risk Level
Criteria for de-provisioning	-Ongoing effort with OHR and the Provost's Office to standardize Emeritus definitions in PeopleSoft and the Identity Management system -Completed analysis of our account types -Analysis of sponsored accounts completed. Communications and change management plan underway -Implemented automated provisioning and deprovisioning of password management tool **-Student and staff technology lifecycle definitions analysis in progress** **-Pilot of deprovisioning access to email and PHI for former healthcare students complete** **-Analysis of email account usage complete. Deprovisioning planning underway**	Access Deprovisioning	High
IAM Risk Awareness	-Completed security gap analysis for all IAM technologies, actively working to remediate all security gaps by the end of FY 22 -Completed roadmap and dual-planning the remediation of risks in conjunction with other operational tasks -Sharing risk findings with IAM Governance to increase awareness and collaboration with business partners	IAM Operations/ Onboarding	Low
Identity Source Upkeep	-Foundational effort to clearly define existing person and identity types to enable future work efforts in this space completed	Modernized Account Types	Low
Access Request Approvals	-Access Request Approvers list capability present in all vendor software for the current finalists for the the Identity Tool Replacement RFP	Group Based Access Control	High
Unified Request Process	-Unified request process capability present in all vendor software for the current finalists for the the Identity Tool Replacement RFP **-Conversations with PEAK office started to establish IAM presence in central HR request portal**	Group Based Access Control	High
Employee Transfer	-Implemented initial user re-provisioning (i.e., adding and removing access) process for transferred employees in the COE to ensure the right level of access is granted for their new duties and access associated with former duties have been removed in a timely manner.	Access Deprovisioning	High
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 now provides access to these resources in a Center of Excellence model for units to leverage as a temporary first step, this launched in July, and is now being communicated broadly. -Student enrollment changes production ready. Session based access now provisioned instead of course based **-Initiated efforts to define standard and scalable service level for Enterprise Role and Group Management**	Group Based Access Control	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 for Boynton BAA deprovisioning process automation implemented **-Lingering access for terminated employees to be reduced is complete** -Student and staff technology lifecycle definitions analysis in progress	Access Deprovisioning	High

Accomplishments (continued):

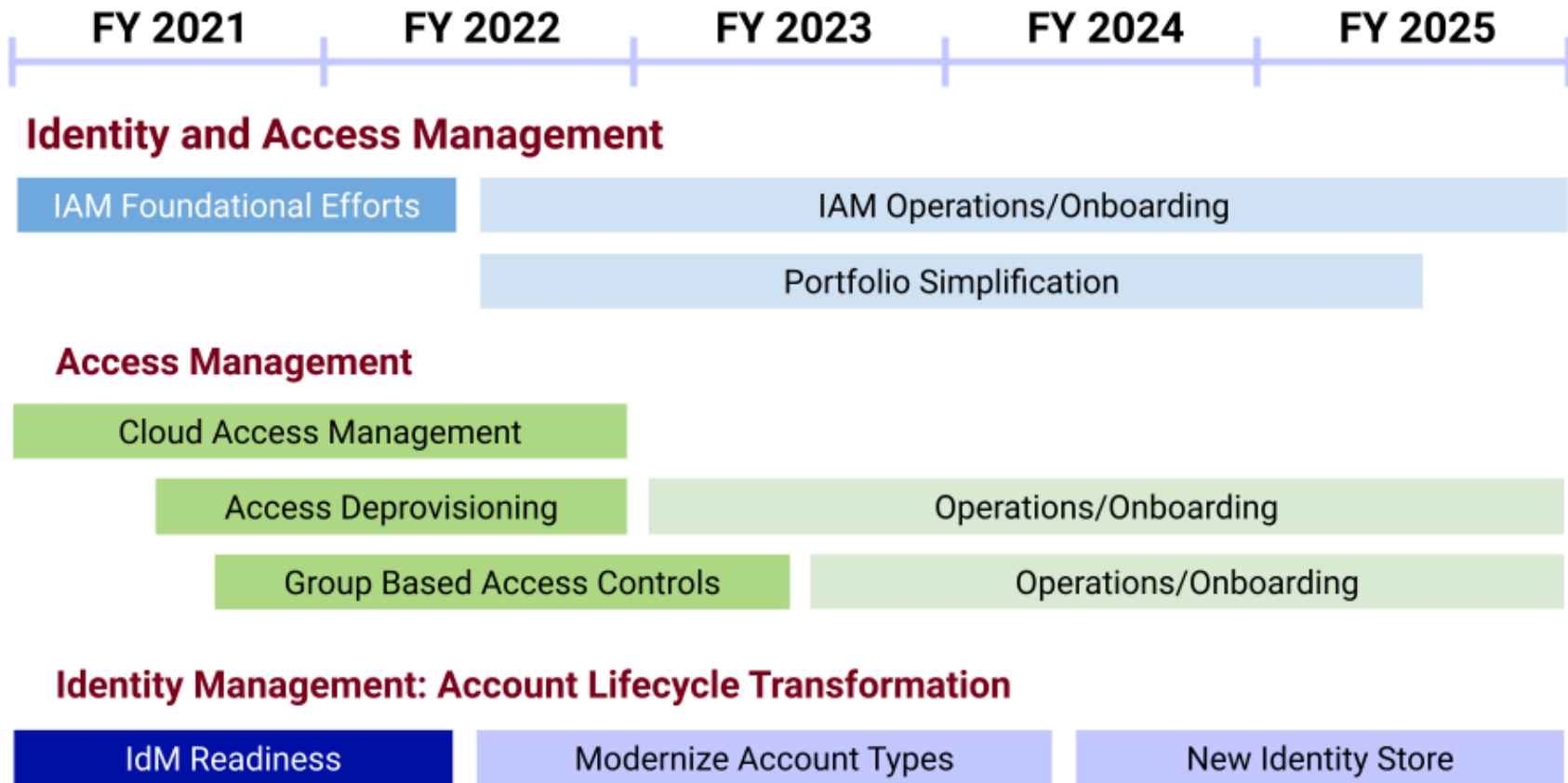| Category	Accomplishments	Road Map Phase	Risk Level
Management of Non-standard and 3rd Party Accounts	-Proof of Concept for supplemental accounts process completed. Future work on this has been put on hold due to IAM Team Staffing Risk (see above). -New account type created non-human access as a first step towards enabling differentiation from human accounts as well as enabling future controls and review of these accounts **-Continued analysis on enabling non-human account type use cases**	Modernized Account Types	High
Periodic Account and Role/Group Certifications	-Periodic account review capability present in all vendor software for the current finalists for the the Identity Tool Replacement RFP	Access Deprovisioning	High
Shared Accounts	-New account type created non-human access as a first step towards enabling differentiation from human accounts as well as enabling future controls and review of these accounts **-Continued analysis on enabling non-human account type use cases**	Modernized Account Types	High
The categories identified in this chart are the result of the collaborative effort between OIA and the IAM Team to review and identify areas of concern that need to be addressed in order to successfully implement a new IAM strategy at the University.			
**Items in bold are accomplishments since the last update*			

Strategic Direction:

The strategic direction for OIT continues to evolve to address the current conditions of the University, but more importantly to plan for the future of needs and objectives that will allow the University to continue to deliver on its mission. Necessarily, the strategy developed prior to the June 2020 Collaborative Assessment has also been updated to prepare for opportunities and mitigate challenges anticipated by the IAM Program.

1. **Reprioritize Our Work:** The Identity Tool Replacement RFP promises to modernize existing capabilities while providing the tools needed to establish new services that will simplify work, access, and accountability. These changes will allow staff to focus on their business objectives while ensuring technology access is seamless and appropriate. However, the breadth of work within the audit and in this migration are not sustainable with the current level of staff. The IAM Program will have to make strategic decisions for what work will be done during the migration and what efforts should be paused. By pausing some efforts, the IAM Program expects to create the work capacity needed to deliver on the Identity Tool Replacement and then resume that work with a superior tool that can streamline the resumed work.

2. **Find and Communicate Value:** The work required by the audit and Identity Tool Replacement is a barrier for our partners and stakeholders. The IAM conversations need to shift towards understanding their business processes to identify opportunities and clearly articulate how this work can help them deliver on their objectives.

3. **Support and Leverage OIT Strategies:** OIT strategies are being developed to reduce the complexity around technology and changes. The OIT cloud strategy can reduce the amount of operational work performed by University staff while allowing for automation of technology delivery. The OIT data strategy can provide a standardized layer between the technologies so that the University will incur far less change management overhead which will allow for the University to be more responsive to the rapidly changing technology landscape. The IAM Program will be a critical component in both efforts by providing access controls and data to these systems. Additionally, these systems will benefit the IAM Program in the same way they benefit the University as a whole.

4. **Simplify Work and Provide Self Service:** To continue our efforts of creating capacity for growing our services, the IAM Program will investigate more opportunities for self-service and explore options to shift work commensurate to staff skill levels. Highly skilled members of the IAM staff should be focused on high skill work. Proper technology selection and processes creation will allow work to be shifted to staff with right-sized skill sets. In addition, the IAM team needs to focus on leveraging fewer tools with more capabilities so that the ratio of technology to staff is more appropriate. Finally, shifting our technology to the cloud will help reduce operational efforts that pull IAM staff away from audit and program objectives.
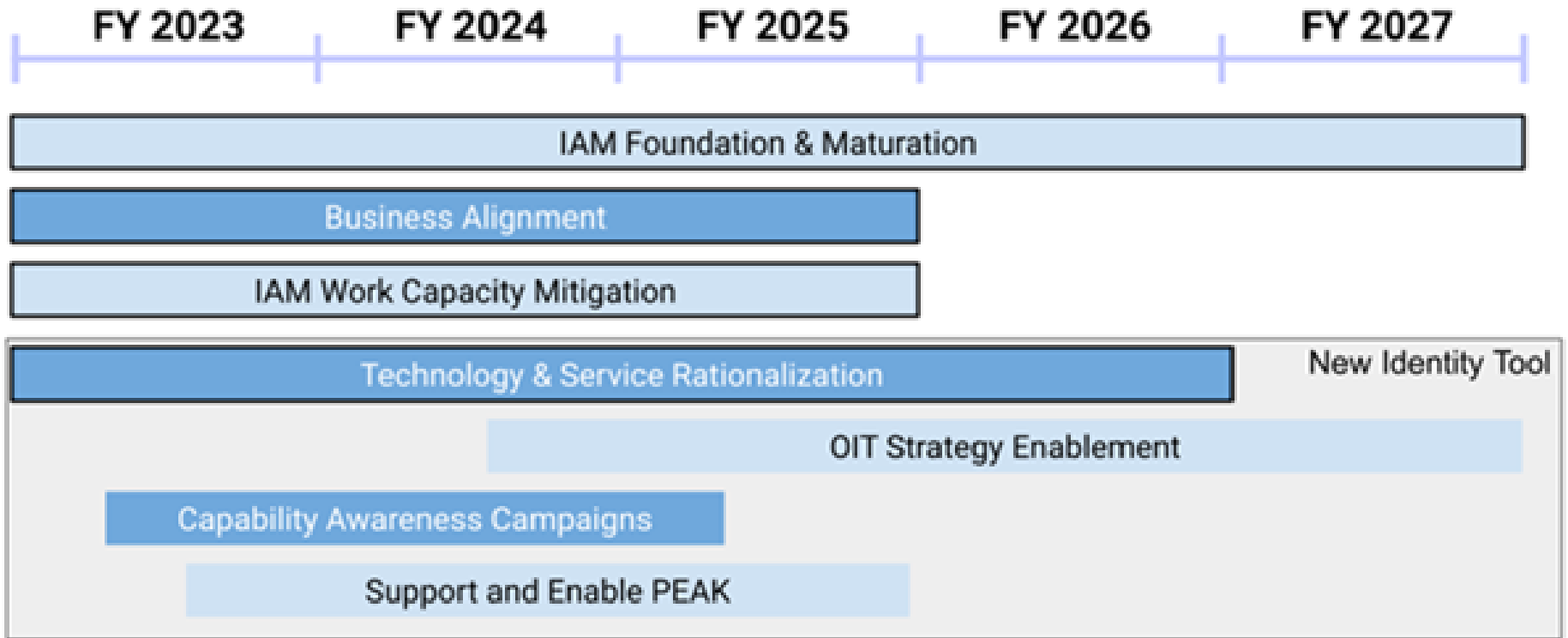
Roadmap:

With the current staffing challenges, the IAM Roadmap presented in the June 2020 Collaborative Assessment needs to be refreshed. The plan was created prior to the pandemic with the assumptions that more investments would occur. Below is the original timeline followed by the timeline based on the resources available today, the strategy outlined in this update, and the evolution of the OIT strategy:
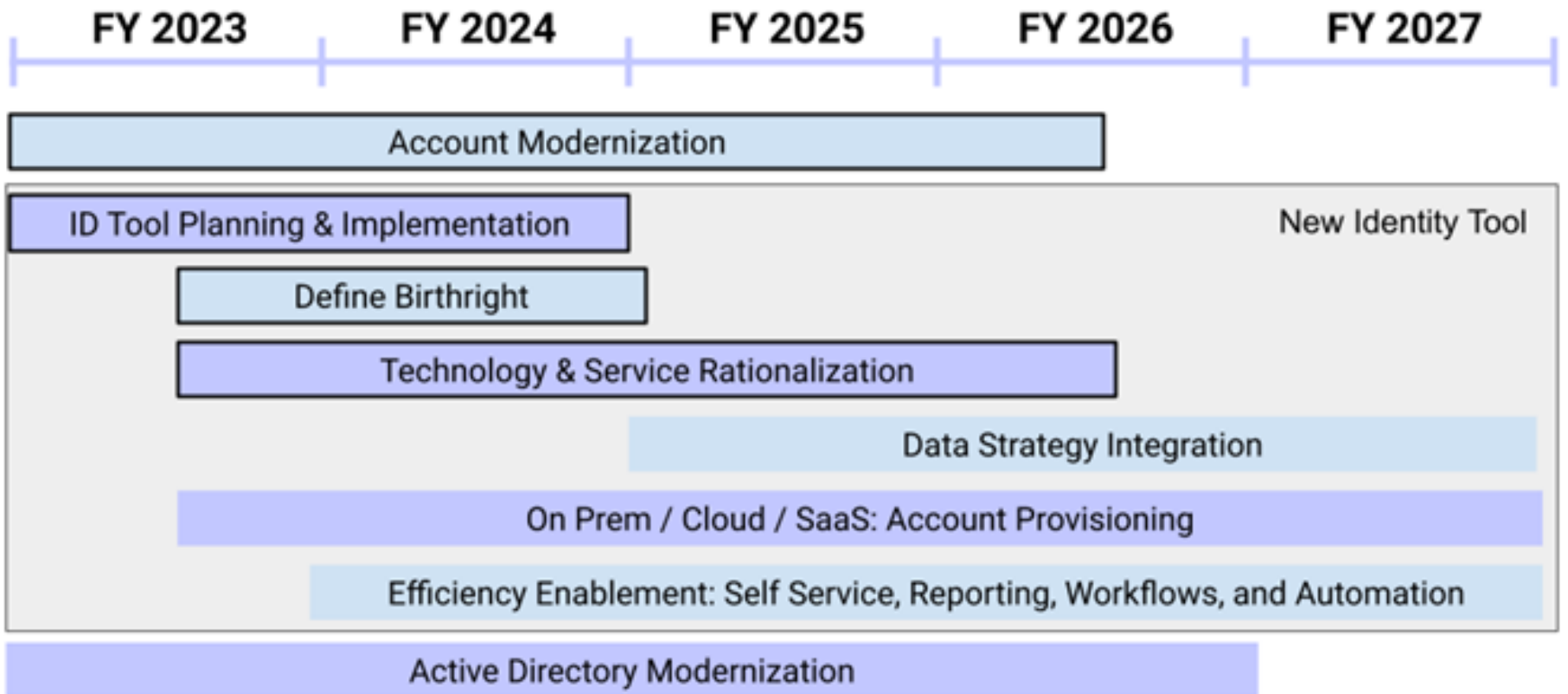
Original Timeline

FY 2021	FY 2022	FY 2023	FY 2024	FY 2025

Identity and Access Management

IAM Foundational Efforts	IAM Operations/Onboarding

	Portfolio Simplification

Access Management

Cloud Access Management

	Access Deprovisioning	Operations/Onboarding

	Group Based Access Controls	Operations/Onboarding

Identity Management: Account Lifecycle Transformation

IdM Readiness	Modernize Account Types	New Identity Store

Roadmap (continued):

Updated Program Timeline

FY 2023	FY 2024	FY 2025	FY 2026	FY 2027

IAM Foundation & Maturation

Business Alignment

IAM Work Capacity Mitigation

Technology & Service Rationalization

New Identity Tool

OIT Strategy Enablement

Capability Awareness Campaigns

Support and Enable PEAK

Roadmap (continued):

Updated Identity Timeline

FY 2023	FY 2024	FY 2025	FY 2026	FY 2027

Account Modernization

New Identity Tool

ID Tool Planning & Implementation

Define Birthright

Technology & Service Rationalization

Data Strategy Integration

On Prem / Cloud / SaaS: Account Provisioning

Efficiency Enablement: Self Service, Reporting, Workflows, and Automation

Active Directory Modernization

Roadmap (continued):

Updated Access / Onboarding Timeline

FY 2023	FY 2024	FY 2025	FY 2026	FY 2027

Access & Application Lifecycle Management

Legacy Retirement

New Identity Tool

Establish IAM Governance

On Prem / Cloud / SaaS Enablement: Access Provisioning

Technology & Service Rationalization

Efficiency Enablement: Self Service, Reporting, Workflows, and Automation

Directory Replacement

Privileged Access & Secrets Management

Authentication Modernization

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 2022, 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 audit period are shown at the end of this report.
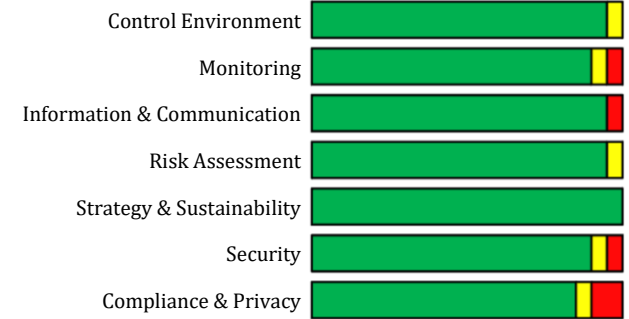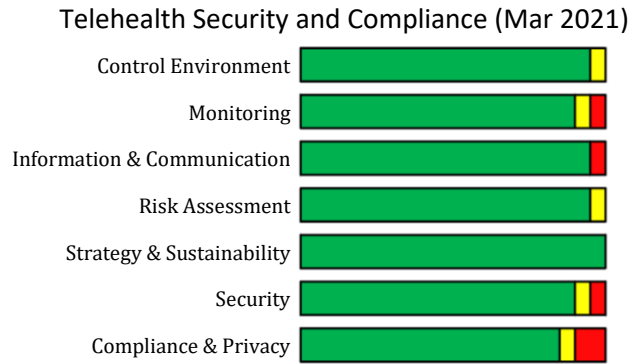
Original Report Evaluation	Previous Audit Period Evaluation	Current Audit Period Evaluation

UMD Fine Arts (Mar 2019)

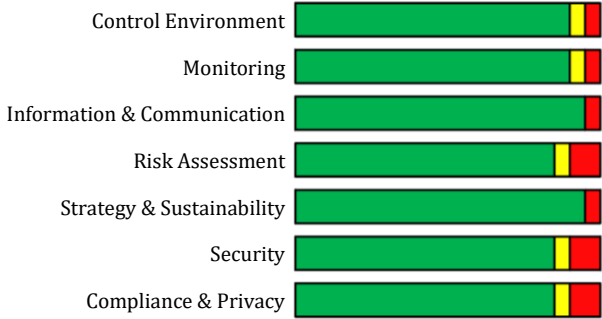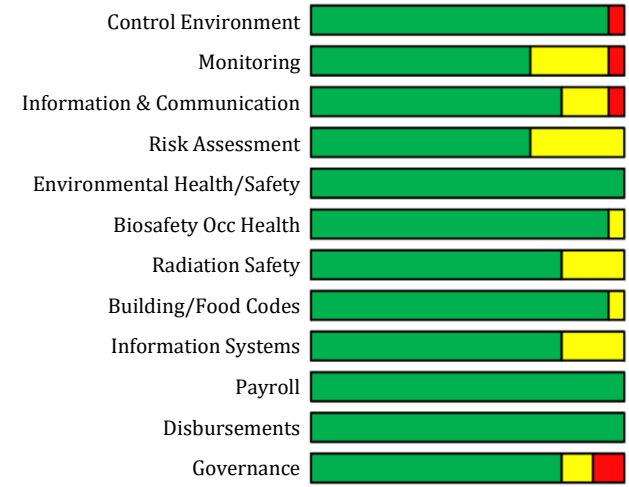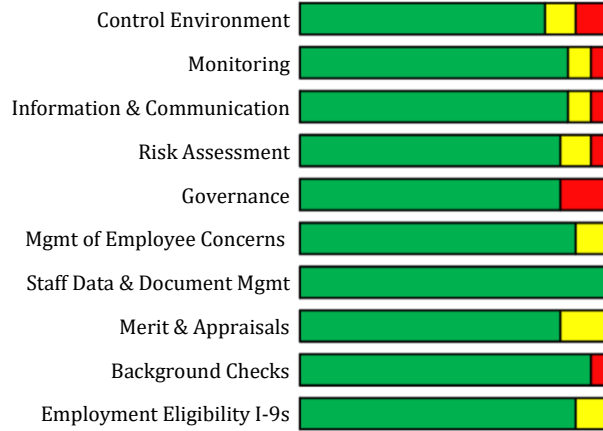Legend: ■ Adequate Control ■ Significant Control Issue(s) ■ Essential Control Issue(s)

Original Report Evaluation
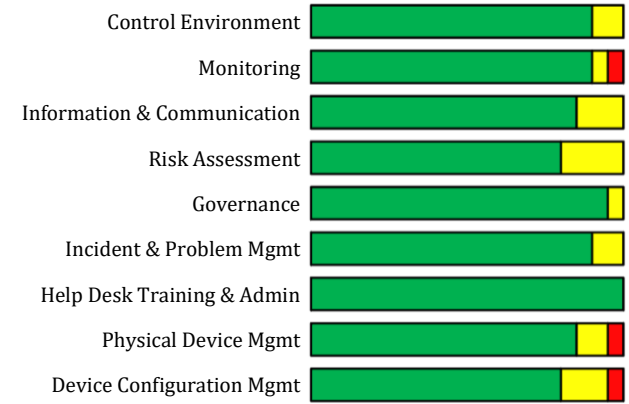
Previous Audit Period Evaluation

Current Audit Period Evaluation

University Health & Safety (Sept 2020)

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

Telehealth Security and Compliance (Mar 2021)

	Original	Previous	Current
Control Environment			
Monitoring			
Information & Communication			
Risk Assessment			
Strategy & Sustainability			
Security			
Compliance & Privacy			
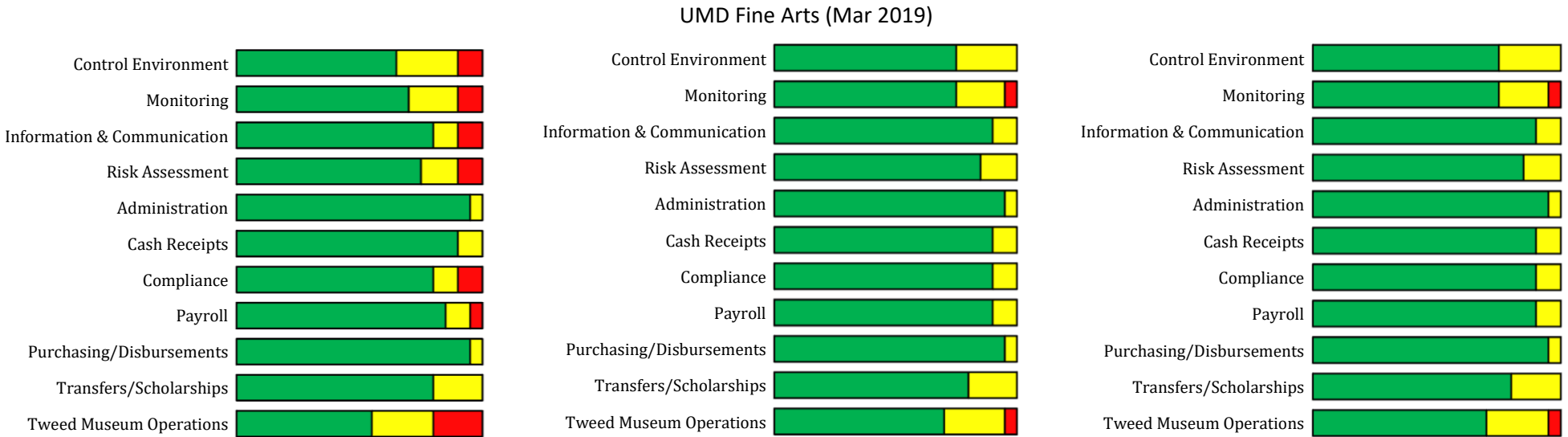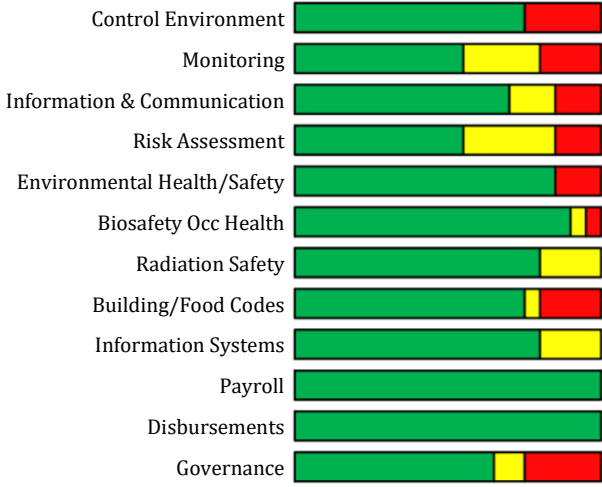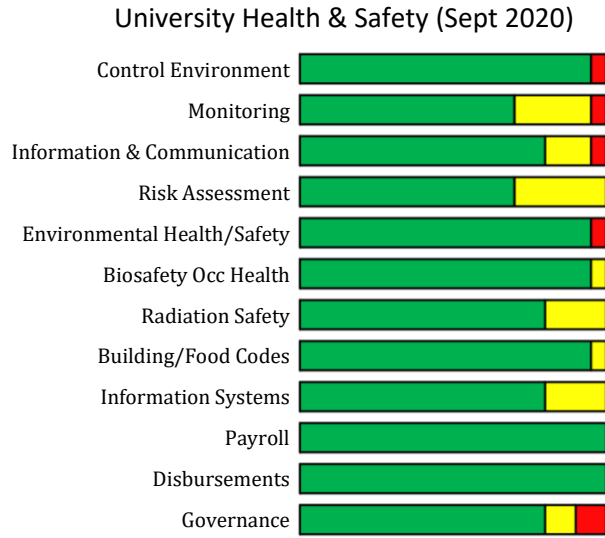
■ Adequate Control   ■ Significant Control Issue(s)   ■ Essential Control Issue(s)

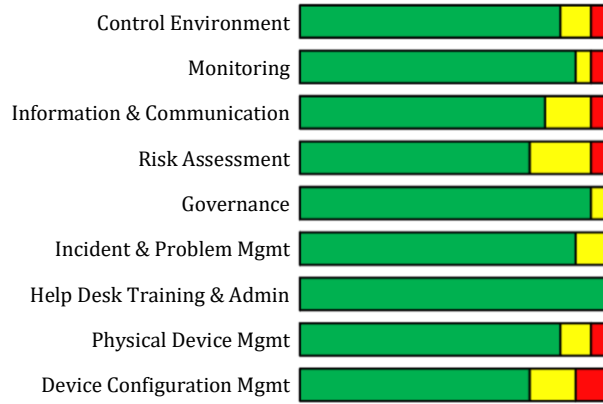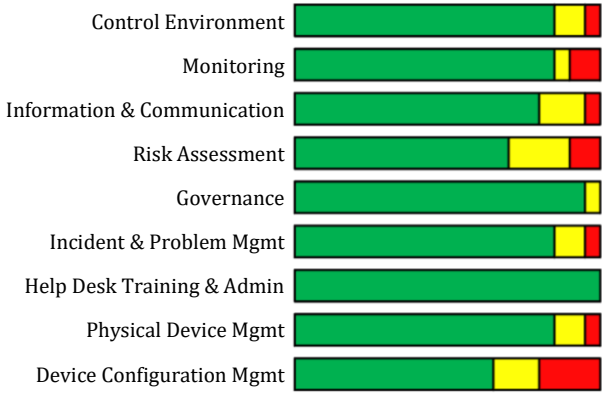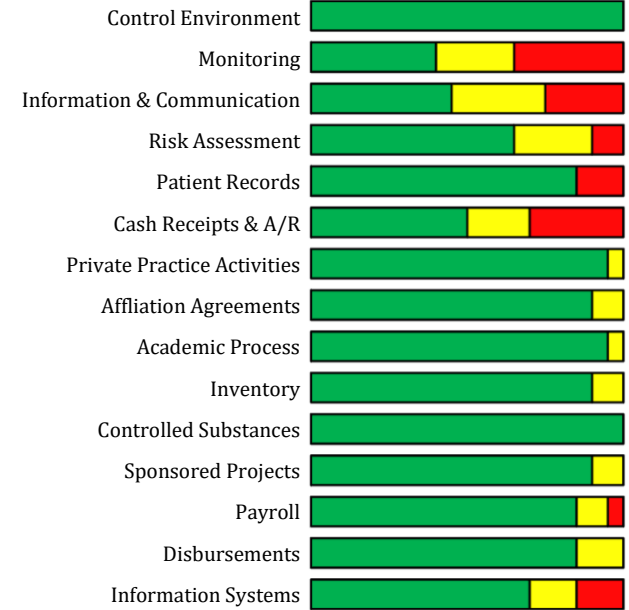| Original Report Evaluation	Previous Audit Period Evaluation	Current Audit Period Evaluation

UMN Duluth Department of Human Resources (Aug 2021)

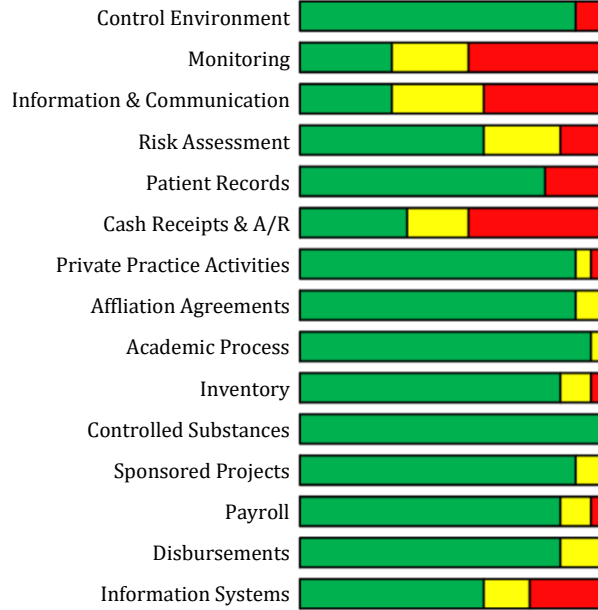## OIT Service Desk and Device Management (Aug 2021)

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

Original Report Evaluation

Previous Audit Period Evaluation

Current Audit Period Evaluation

School of Dentistry (Sept 2021)

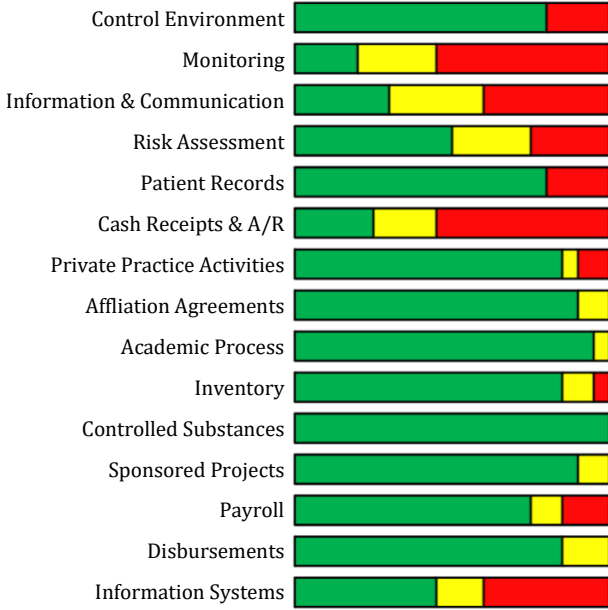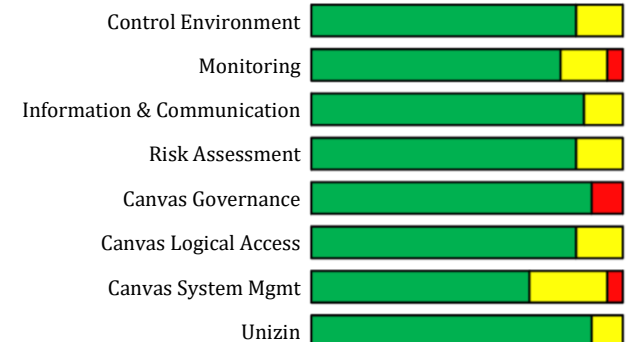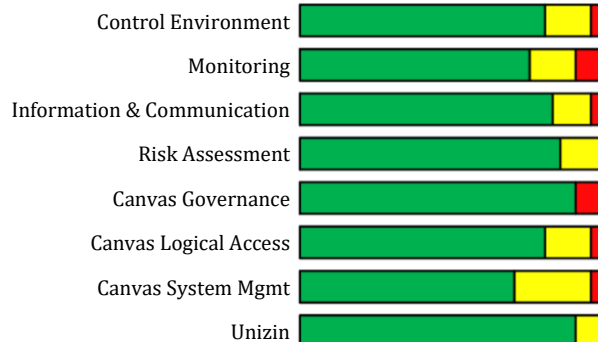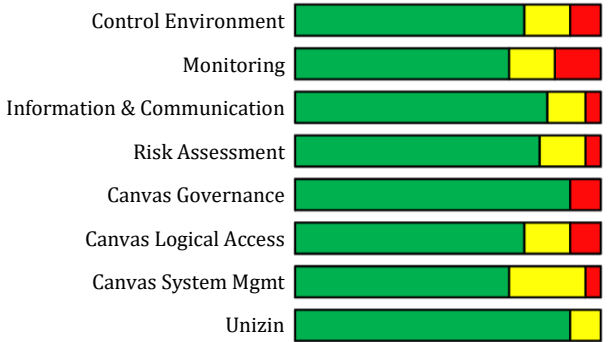## Canvas and Unizin (Sept 2021)

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

Original Report Evaluation

Previous Audit Period Evaluation

Current Audit Period Evaluation

School of Public Health - Health Policy & Management (Jan 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 Projects	Sponsored Projects	Sponsored Projects
Academic Processes	Academic Processes	Academic Processes
Payroll	Payroll	Payroll
COVID-19	COVID-19	COVID-19
Data Governance	Data Governance	Data Governance

Department of Family Medicine and Community Health (March 2022)

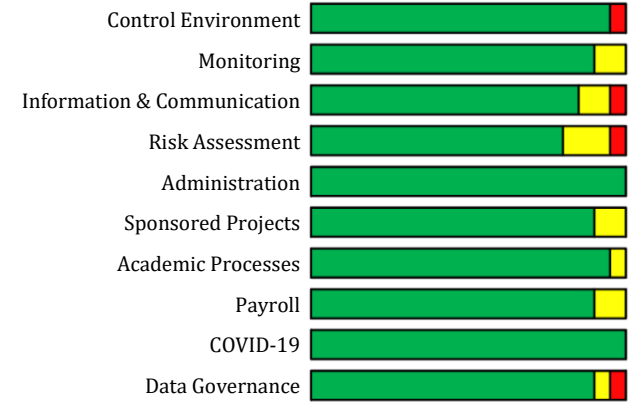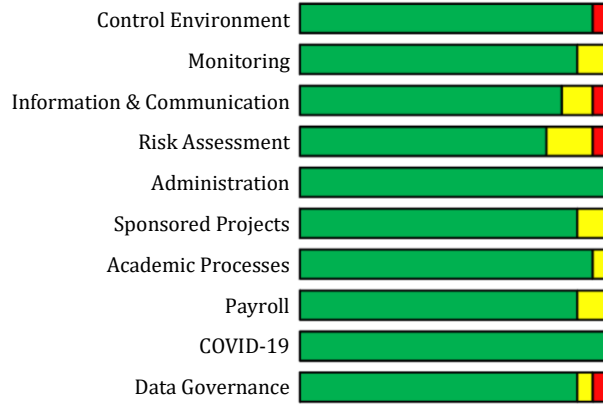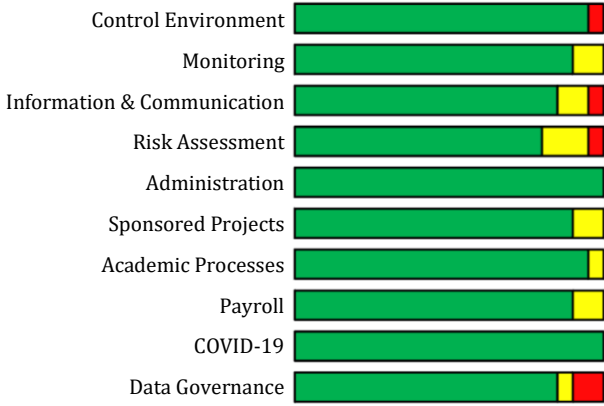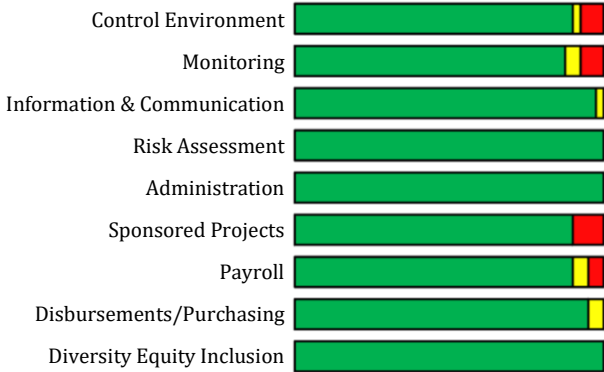| Original Report Evaluation		Current Audit Period Evaluation
Control Environment		Control Environment
Monitoring		Monitoring
Information & Communication	NO PREVIOUS	Information & Communication
Risk Assessment	CONTROL EVALUATION	Risk Assessment
Administration	CHART	Administration
Sponsored Projects		Sponsored Projects
Payroll		Payroll
Disbursements/Purchasing		Disbursements/Purchasing
Diversity Equity Inclusion		Diversity Equity Inclusion

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

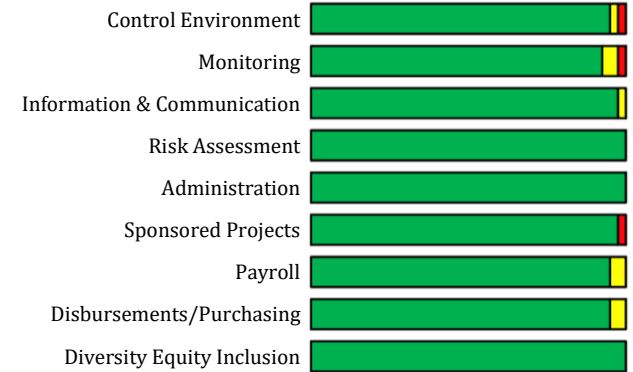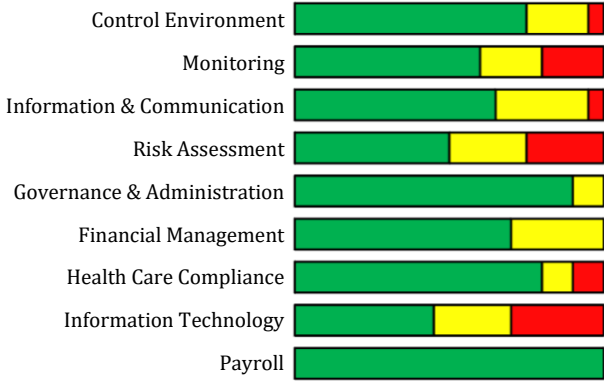| Original Report Evaluation | Previous Audit Period Evaluation | Current Audit Period Evaluation |

UMD Health Services (May 2022)

Original Report Evaluation:
- Control Environment
- Monitoring
- Information & Communication
- Risk Assessment
- Governance & Administration
- Financial Management
- Health Care Compliance
- Information Technology
- Payroll

NO PREVIOUS CONTROL EVALUATION CHART

Current Audit Period Evaluation:
- Control Environment
- Monitoring
- Information & Communication
- Risk Assessment
- Governance & Administration
- Financial Management
- Health Care Compliance
- Information Technology
- Payroll
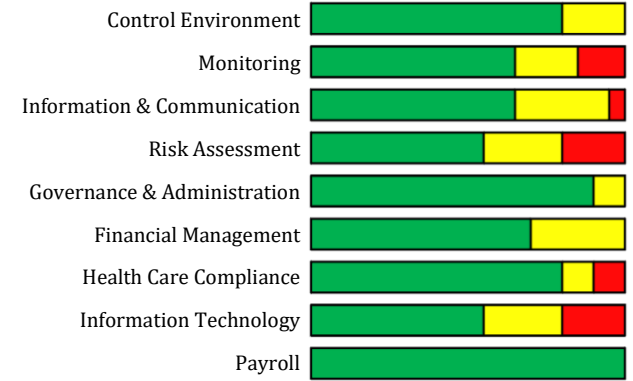
Housing and Residential Life (May 2022)

Original Report Evaluation:
- Control Environment
- Monitoring
- Information & Communication
- Risk Assessment
- Administration
- Revenue and Operations
- Safety and Security
- Student Conduct
- Payroll
- Disbursements
- Information Systems

NO PREVIOUS CONTROL EVALUATION CHART

Current Audit Period Evaluation:
- Control Environment
- Monitoring
- Information & Communication
- Risk Assessment
- Administration
- Revenue and Operations
- Safety and Security
- Student Conduct
- Payroll
- Disbursements
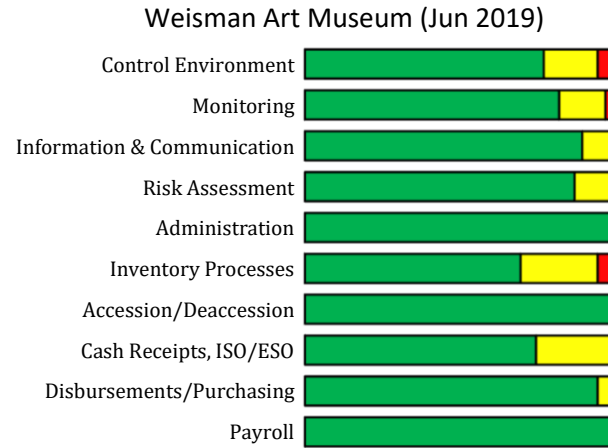- Information Systems

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

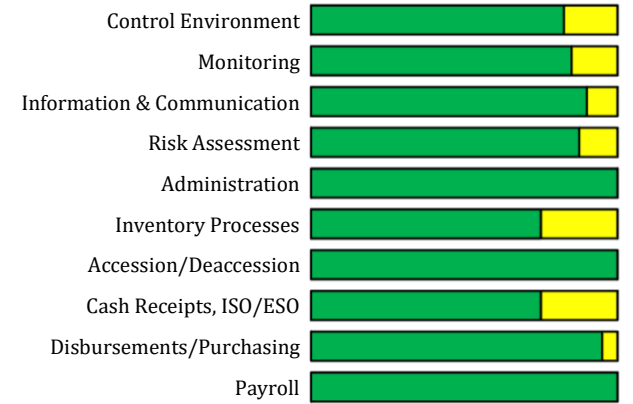# Fully Implemented "Essential" Recommendations During the Past Audit Period
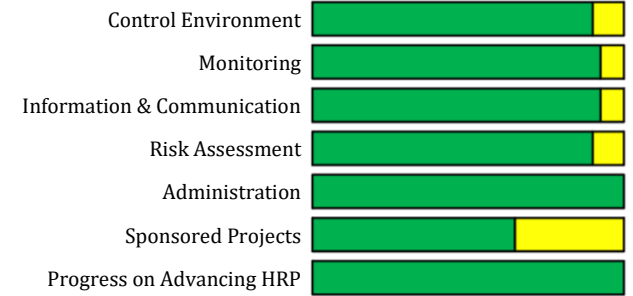
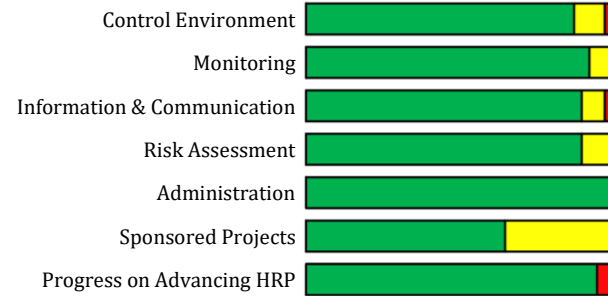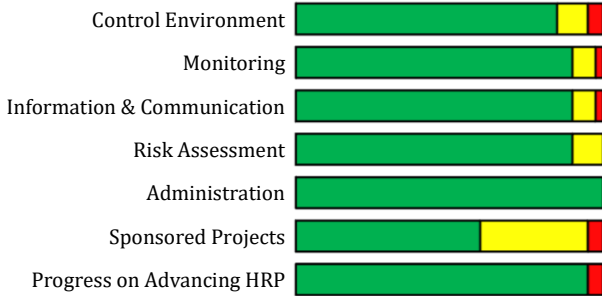| Original Report Evaluation	Previous Audit Period Evaluation	Current Audit Period Evaluation
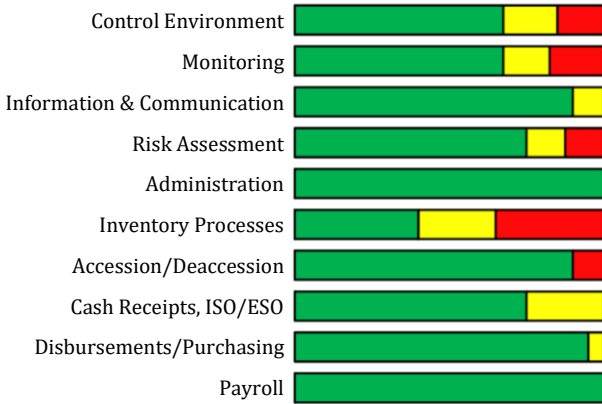
Weisman Art Museum (Jun 2019)

Psychiatry & Behavioral Sciences - Research (Sept 2019)

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

Original Report Evaluation

Previous Audit Period Evaluation

Current Audit Period Evaluation

Emergency Management and Continuity of Operations (Oct 2019)

- Control Environment
- Monitoring
- Information & Communication
- Risk Assessment
- Central EM/COOP Services
- Governance & Oversight
- EM Distributed Processes
- COOP Distributed Processes

Dept of Public Safety IT (May 2020)

- Control Environment
- Monitoring
- Information & Communication
- Risk Assessment
- IT Governance
- Logical Access
- Vendor & Partner Mgmt
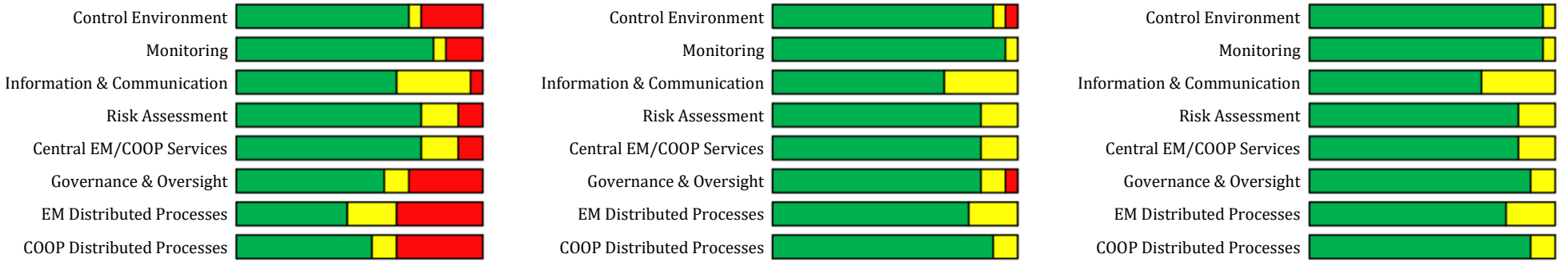- Change Management
- System & Infrastructure Mgmt

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

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

Central Job Scheduling (July 2020)

| | Control Environment | Monitoring | Information & Communication | Risk Assessment | Governance | System Security | Job Schedule Operations |
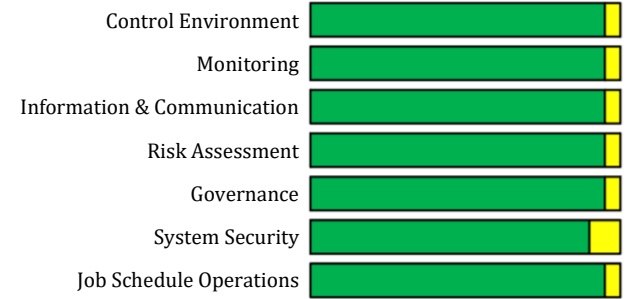
Baseball and Softball Compliance and Operations (Dec 2020)
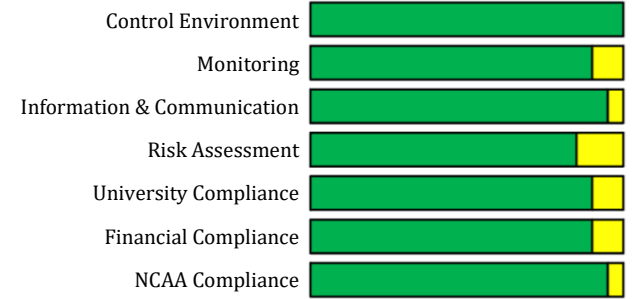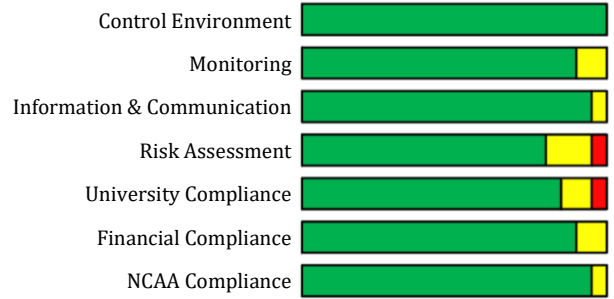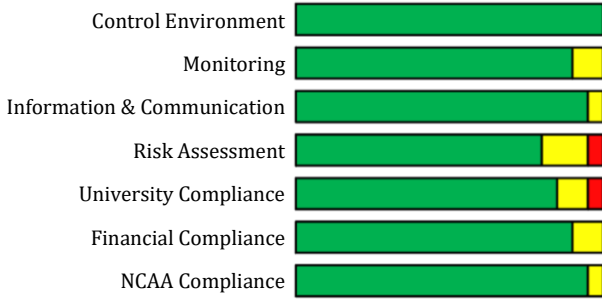
| | Control Environment | Monitoring | Information & Communication | Risk Assessment | University Compliance | Financial Compliance | NCAA Compliance |

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

Original Report Evaluation

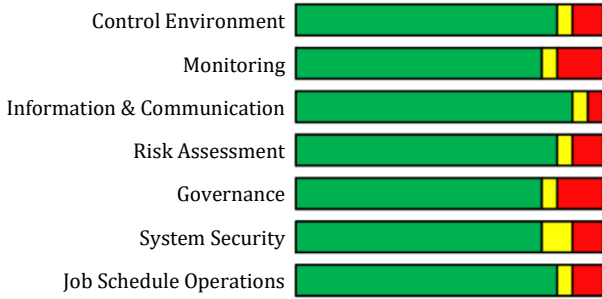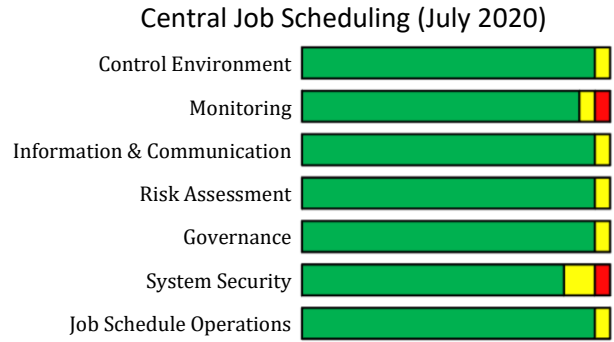| Category	
Control Environment	
Monitoring	
Information & Communication	
Risk Assessment	
BOR Reporting	
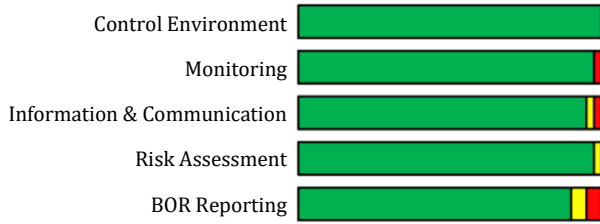
Previous Audit Period Evaluation

Board of Regents Internal Reporting (Apr 2021)
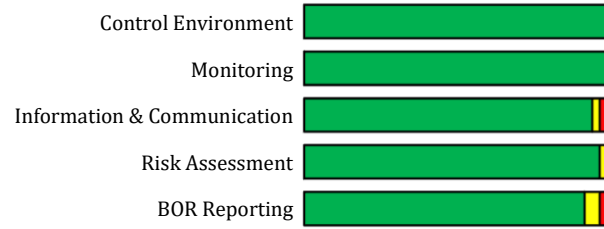
Category	
Control Environment	
Monitoring	
Information & Communication	
Risk Assessment	
BOR Reporting	

Current Audit Period Evaluation

Category	
Control Environment	
Monitoring	
Information & Communication	
Risk Assessment	
BOR Reporting	
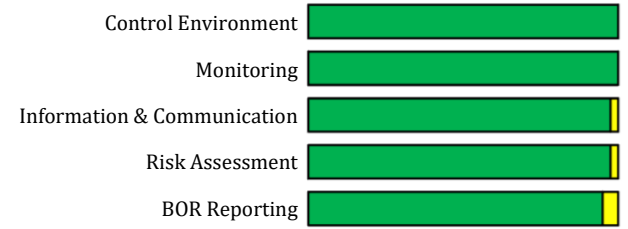
■ Adequate Control   ■ Significant Control Issue(s)   ■ Essential Control Issue(s)

Audit Activity Report

Scheduled Audits

Completed Audits Of:
- UMD Chancellor's Unit
- Energy Management
- Real Estate Office
- Systemwide Student Disability Resources
- Office of the Vice President for Research – Vice President Transition Review
- Veterinary Medical Center
- Office of Equity and Diversity – Vice President Transition Review
- Research Animal Resources
- University of Minnesota Genomics Center
- College of Biological Sciences – Dean Transition Review

Began/Continued Audits Of:
- UMD Information Technology Systems and Services
- University Recreation and Wellness Center
- Community University Health Care Clinic (CUHCC)
- Department of Microbiology and Immunology
- UMD Dining Services
- UMD Chancellor Transition Review
- Bell Museum
- NCAA Compliance and Operations (Men's and Women's Golf, Women's Gymnastics, Women's Tennis)

Investigations

- Performed investigative work on four 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 identity and access management, vendor management, and information security and compliance.
- Performed sample testing of the Twin Cities Bookstore's physical inventory counts.

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
- IT Leadership Committees

- HRPP Advisory Committee
- Research Compliance Committee
- Diversity Community of Practice
- PEAK Advisory Council
- BioMADE Governance Committee
- University of Minnesota Foundation Audit Committee
- Metropolitan Council Audit Committee
- Association of College and University Auditors (ACUA) Committee on Athletics
- Associate Vice President for Research Integrity and Compliance Search Committee
- Enterprise Risk Management Task Force

Audit Reports Issued Since June 2022

UMD Chancellor's Unit

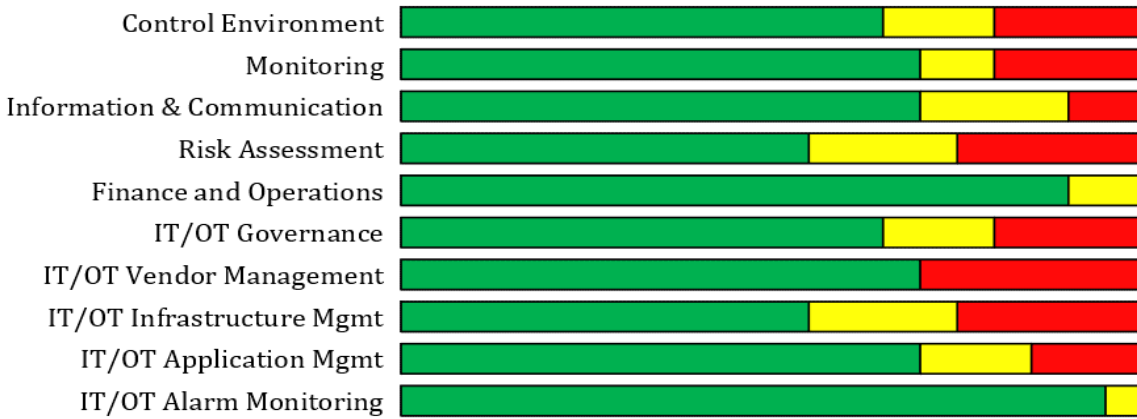|	
Control Environment	████████████████████░░
Monitoring	████████████████████░░
Information & Communication	██████████████████████░
Risk Assessment	█████████████████████░
Governance	█████████████████░░░░
Financial Management	██████████████████░░░
U Mktg & Public Relations	███████████████████████
UMD Development Office	███████████████████████
Payroll	██████████████████████░
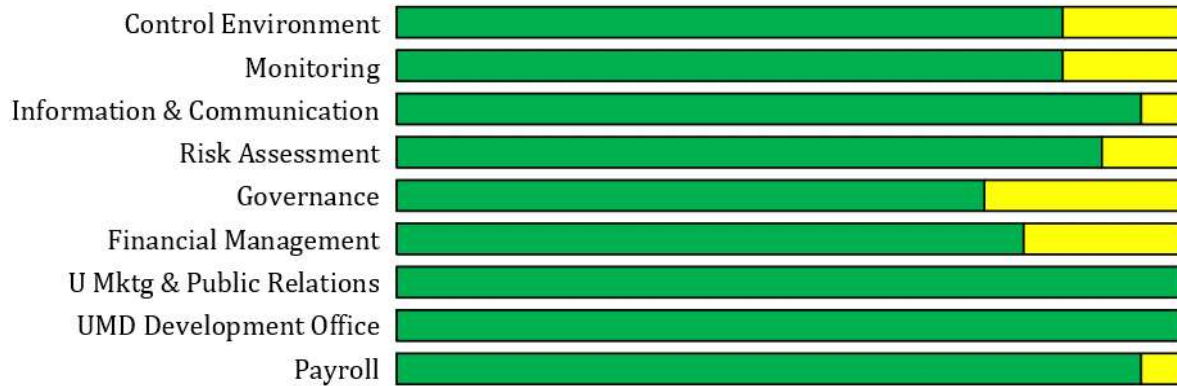
Report #	2223	Issue Date	Jun-22
# of Essential Recs.	0	Total # of Recs.	9
Overall Assessment	Good	Adequacy of MAP	Satisfactory

The departments in the UMD Chancellor's Unit included in this audit are: the UMD Chancellor's Office, University Marketing and Public Relations (UMPR), the UMD Development Office, and KUMD. The chancellor oversees the UMD Chancellor's Unit and is also the chief administrative officer of the Duluth campus. Shortly after the start of this audit, the chancellor announced his plans to retire once a new chancellor is appointed. A national search was subsequently conducted for the chancellor position but was unsuccessful. Recently, an interim chancellor was appointed for a two-year term. The greatest opportunity for improvement in the UMD Chancellor's Unit relates to addressing the gaps associated with Shared Services' financial processes. Although there are no critical concerns associated with these processes, resolving the process gaps and improving the communication between the departments in the UMD Chancellor's Unit and Shared Services would likely have a considerable positive impact on the efficiency and effectiveness of the UMD Chancellor's Unit's operations.

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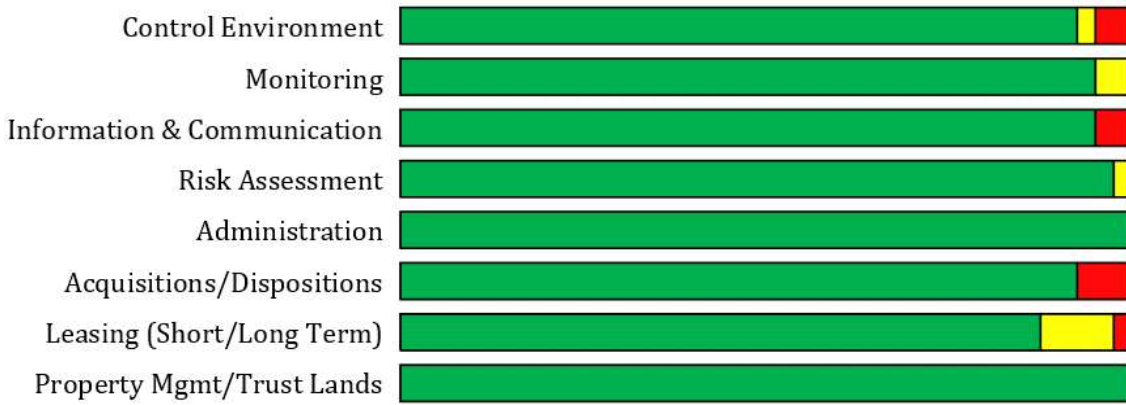
Energy Management

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	██████████████████████░

Report #	2301	Issue Date	Jul-22
# of Essential Recs.	19	Total # of Recs.	33
Overall Assessments:		Adequacy of MAP	Satisfactory
Finance & Operations	Good		
Info Systems/Oper Tech	Needs Improvement		

Energy Management (EM) oversees the reliable, safe, and efficient operation of mechanical, electrical, and civil utility systems for the Twin Cities campus. EM also manages and monitors building control systems and alarms in over 200 buildings spread throughout the Minneapolis, St. Paul, Duluth, and Morris campuses. The building control systems are responsible for managing systems such as HVAC and lighting to ensure a comfortable and safe environment. The finance and operations of EM are well managed with overall effective processes for handling unique processes. EM has a complex set of information systems and operational technologies. They are supported by dedicated and highly specialized staff who have ensured there have been no major issues associated with life-safety or environmental systems. However, EM's informational systems and operational technologies' controls and support processes warrant improvement to ensure appropriate internal controls are in place, risks are mitigated, and monitoring is enhanced. Review of responsibilities and governance of these operations is also warranted to ensure management of risks and to obtain additional efficiencies across multiple IT groups and vendors.

■ Adequate Control　　□ Significant Control Issue(s)　　■ Essential Control Issue(s)
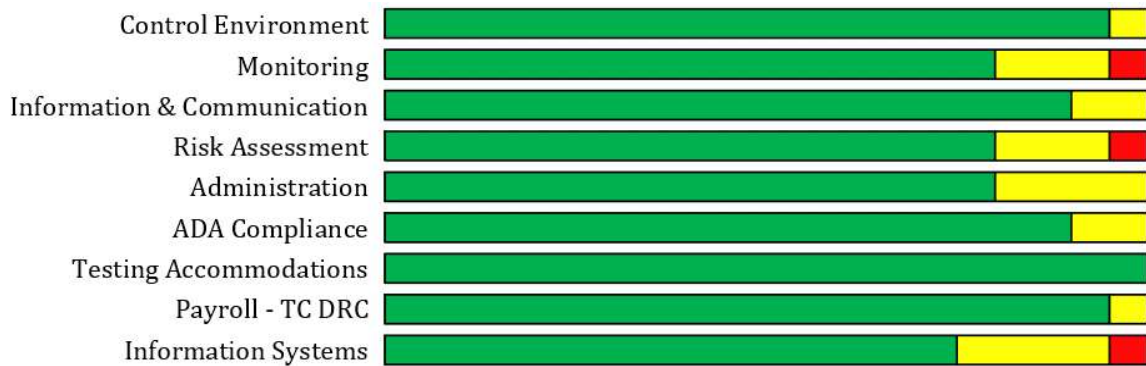
Real Estate Office

Control Environment	
Monitoring	
Information & Communication	
Risk Assessment	
Administration	
Acquisitions/Dispositions	
Leasing (Short/Long Term)	
Property Mgmt/Trust Lands	

Report #	2302	Issue Date	Jul-22
# of Essential Recs.	2	Total # of Recs.	4
Overall Assessment	Good	Adequacy of MAP	Satisfactory

The Real Estate Office (REO), established in 1975, provides services including leasing, licensing, purchasing, and selling of University property. The University's real estate strategy is grounded in supporting the University's mission in a manner that recognizes its long-term vision and fiscal responsibility to the people of the State of Minnesota. REO is achieving their goal to build comprehensive long-range capital facilities and landholding strategies to drive strategic growth by establishing new long-term physical master plans for each campus that serve their community and advancing innovative financing to support long term strategic objectives, as well as establishing land retention, acquisition, and use strategy. We found that REO is managing most major business and compliance risks well. However, some attention should be given to address inconsistencies between the unit's current practices and University policies and procedures.

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

Systemwide Student Disability Resources

Control Environment	
Monitoring	
Information & Communication	
Risk Assessment	
Administration	
ADA Compliance	
Testing Accommodations	
Payroll - TC DRC	
Information Systems	

Report #	2303	Issue Date	Aug-22
# of Essential Recs.	1	Total # of Recs.	12
Overall Assessments:	Good	Adequacy of MAP	Satisfactory

The Americans with Disabilities Act (ADA) became law in 1990, and in 2009, the Americans with Disabilities Act Amendments Act (ADAAA) became effective. Title II of the ADA covers publicly-funded universities, community colleges and vocational schools, which includes requirements to ensure programs are accessible to students with disabilities. The Disability Resource centers (DR/Cs) on each campus are the main resource for accessibility accommodations and information, but providing accessibility requires involvement from many units, faculty and staff. Broader adoption of Universal and Inclusive Design principles could help further eliminate barriers in the environment for all students, but a decision to fully implement these approaches would require broader University support and considerable effort and dedication by the University community. The DR/Cs systemwide have processes and procedures in place that assist students with disabilities obtain reasonable accommodations to help them access their University education. Results from a student survey receiving these services indicated an exceptionally positive view of DR/Cs. The audit identified one essential issue to minimize existing operational risks regarding logging and monitoring of DR/Cs' databases' user activity.

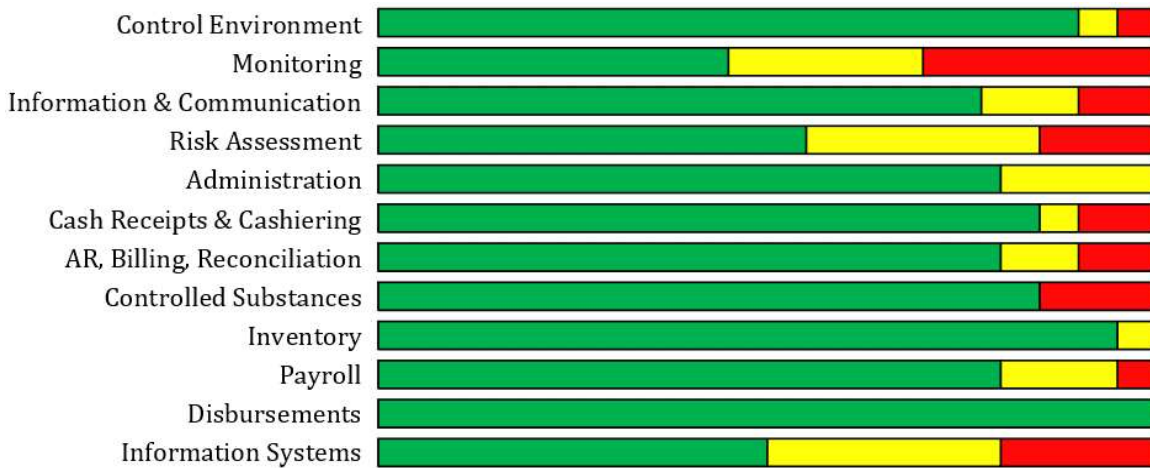# Office of the Vice President for Research - VP Transition Review

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 #	2304	Issue Date	Aug-22
# of Essential Recs.	0	Total # of Recs.	0
Overall Assessments:	Good	Adequacy of MAP	NA

The activities of the former Interim Vice President reflected a prudent use of University resources and thoroughness in the necessary administrative functions required for a smooth transition for the new Vice President. Interviews with core staff members, as well as a review of HR and financial data noted no new/increased deferred compensation agreements or inappropriate spending. Administratively, all expense reports, vacation leaves, and Reports of External Professional Activities submissions of direct reports have been completed and approved. Two notable issues were identified in that performance appraisals were not completed for all direct reports of the former Interim Vice President and one confidential matter that required a policy exception from Purchasing Services was not requested; however, the associated expenses were appropriately approved. The OVPR leadership has been informed and acknowledges that these items need to be addressed.

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

Veterinary Medical Center

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

Report #	2305	Issue Date	Aug-22
# of Essential Recs.	12	Total # of Recs.	28
Overall Assessments:	Needs Improvement	Adequacy of MAP	Satisfactory

The Veterinary Medical Center (VMC) is a veterinary teaching hospital within the College of Veterinary Medicine. Annually, VMC treats more than 35,000 companion and 4,000 large animal cases, with specialists available in all areas of medicine and surgery. VMC is comprised of the Lewis Small Animal Hospital (for dogs, cats, and other companion animals), the Large Animal Hospital (treating farm animals and occasionally zoo animals), the Piper Equine Hospital (for horses) and the West Metro Equine Practice (providing general ambulatory care in the Maple Plain area). Financial management and information technology controls warrant attention to ensure appropriate internal controls are in place, risks are mitigated, and monitoring is enhanced. Some of the issues identified are likely caused by considerable staffing pressures, including lack of permanent leadership, that is impeding VMC's operations. VMC employees are striving to meet demands while taking on added responsibilities and tasks due to the staffing shortages, creating an environment that will be difficult to sustain long-term.

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

Office of Equity and Diversity - Vice President 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 #	2306	Issue Date	Aug-22
# of Essential Recs.	0	Total # of Recs.	0
Overall Assessment	Good	Adequacy of MAP	NA

The activities of the former Vice President reflected a prudent use of University resources and thoroughness in the necessary administrative functions required for a smooth transition for the new Vice President. Interviews with core staff members, as well as a review of HR and financial data noted no new/increased deferred compensation agreements or inappropriate spending. Administratively, all expense reports, vacation leaves, and Reports of External Professional Activities submissions of direct reports have been completed and approved.
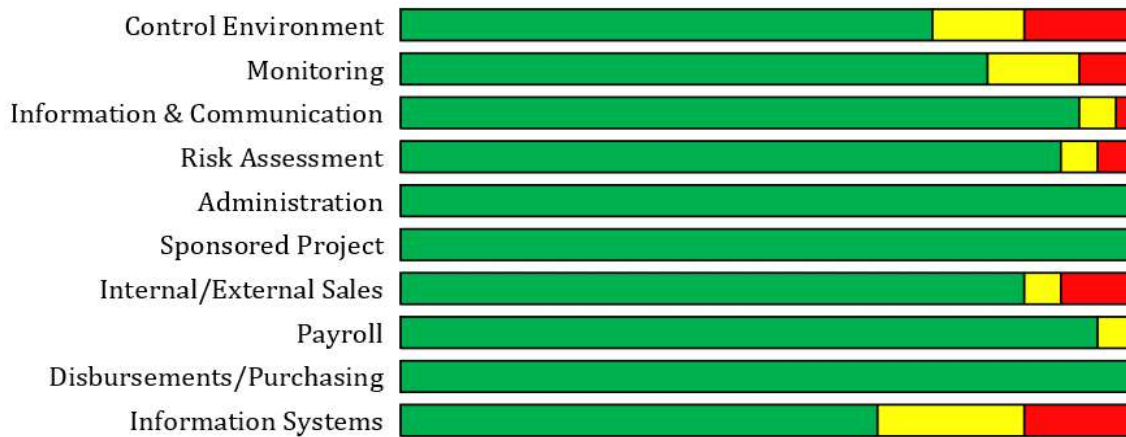
Research Animal Resources
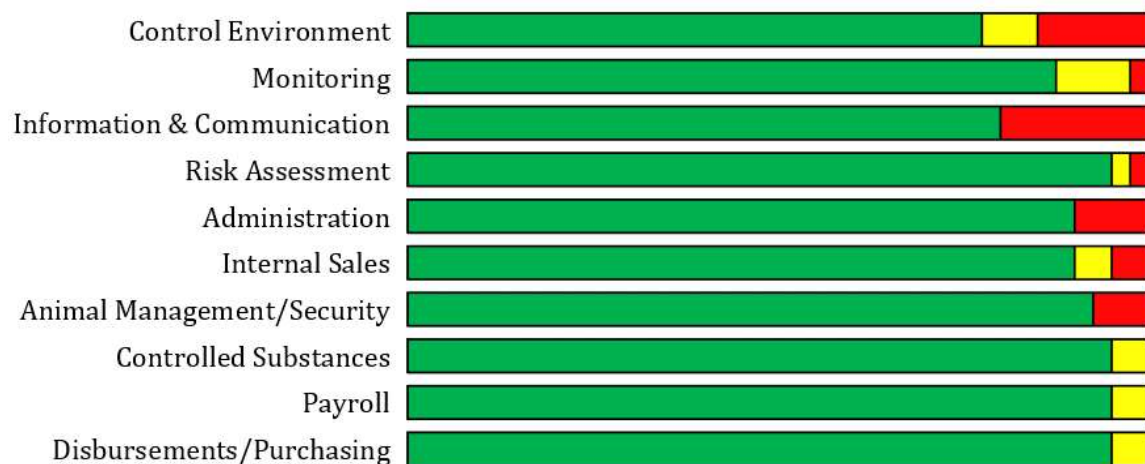
Report #	2307	Issue Date	Aug-22
# of Essential Recs.	3	Total # of Recs.	7
Overall Assessment	Adequate	Adequacy of MAP	Satisfactory

Research Animal Resources (RAR) provides the University of Minnesota research community with animal care, procurement services, veterinary knowledge, and maintenance of housing facilities for animal-related research activities. The mission of RAR is to foster knowledge and improve the health and well-being of humans and animals by advancing research, education and training in comparative medicine and biology. RAR's compliance with federal animal care policies was recently (October 2021) reviewed by AALAAC and received positive feedback and continued accreditation. Animal welfare processes were confirmed to be well-managed, and we found monitoring and security processes are generally effective though additional oversight of physical keys is warranted. Two other areas noted for improvement were that the employee survey results indicate the need for management attention and there needs to be consistency for internal sales ordering.

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

University of Minnesota Genomics Center

Category	
Control Environment	
Monitoring	
Information & Communication	
Risk Assessment	
Administration	
Sponsored Project	
Internal/External Sales	
Payroll	
Disbursements/Purchasing	
Information Systems	

Report #	2308	Issue Date	Aug-22
# of Essential Recs.	6	Total # of Recs.	13
Overall Assessment	Good	Adequacy of MAP	Satisfactory

The University of Minnesota Genomics Center (UMGC) is a unit within the Office of the Vice President for Research (OVPR) that provides genomic technologies and services to researchers and clinicians at the University of Minnesota, and to external academic and industry scientists. The finance and operations of the UMGC are generally well managed with overall effective processes for handling unique, and sometimes complex, processes. However, the UMGC has had financial difficulties for many years with a potentially unsustainable business model. Subsidies received in fiscal years 2021 and 2022 have eliminated their present deficits but these subsidies are nonrecurring. In addition, improvements are needed to some of the UMGC's information technology controls and processes. The risks associated with these technology processes are heightened given PHI in some of the UMGC's systems.

College of Biological Sciences - Dean 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 #	2309	Issue Date	Sep-22
# of Essential Recs.	0	Total # of Recs.	0
Overall Assessment	Good	Adequacy of MAP	NA

The activities of the former Dean reflected a prudent use of University resources and thoroughness in the necessary administrative functions required for a smooth transition for the new Dean. Interviews with core staff members, as well as a review of HR and financial data noted no new/increased deferred compensation agreements or inappropriate spending. Administratively, all expense reports, vacation leaves, and Reports of External Professional Activities submissions of direct reports have been completed and approved.

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

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
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
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