

# Internal Audit Update

University of Minnesota Regents Audit and Compliance Committee  
February 8, 2024

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 2023
- SNAP Review Summary
- 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

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### **Status of Critical Measures**

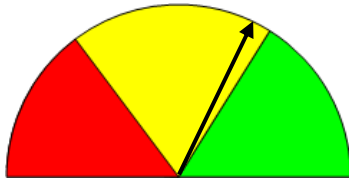
As part of our ongoing efforts to provide the Audit and Compliance Committee with critical information in as concise a format as possible, we have developed the following charts to present a quick overview of work performed by the Office of Internal Audit.

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

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

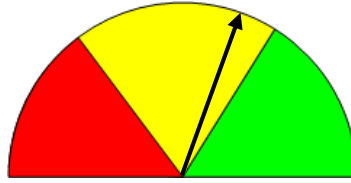
The final chart, “Time Spent on Non-Scheduled Audit Activities,” provides a status report on the amount of time consumed by investigative activities, special projects, and other management requests. We estimate a budget for this type of work, and the chart will indicate whether we expect that budget to be sufficient. Continued readings in the yellow or red may result in seeking Audit and Compliance Committee approval for modifying the Annual Audit Plan.

### Essential Recommendation Implementation



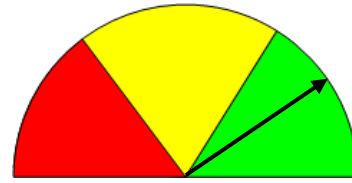
Implementation rates were 37% for the period, which is slightly lower than our expected rate of 40% and a slight decrease from October's 38% rate.<sup>1</sup>

### Progress on Audit Plan & Other Assurance Work



Progress on audit plan and assurance work is slightly behind expectations.<sup>2</sup>

### 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.

<sup>1</sup>Approximately 28% of the outstanding items are from more recent audits receiving first time follow-up, and 57% of the outstanding issues are past management's planned remediation date.

<sup>2</sup>We are trending slightly behind our original audit plan schedule due to some carryforward audits taking longer than expected and staff turnover and hiring. However, we have now hired all but one of our open positions and we still expect to complete or initiate all audits on the audit plan during this fiscal year.

#### Other items:

- FY2024 Audit Plan Update - One Tier 2 audit from the Audit Plan, Minnesota Supercomputing Institute (MSI), is being replaced to reallocate IT audit resources to perform an audit of the management of data stored in centralized repositories. This change is being made based on ongoing risk assessments in alignment with commitments to the Committee on the handling of Tier 2 audits. MSI's work towards authorization to handle data protected under HIPAA will still be covered as part of the separate HIPAA Governance and Oversight audit.
- Internal Audit Staffing Update - The Office of Internal Audit currently has one vacant financial auditor position, which we plan to post in the coming months. When fully staffed we have 16 auditors in addition to the Chief Auditor.

## Status of Essential Recommendations

Report#	Audit Name	Open Recs - Past Due	Number of Essential Recs (Report)	Status (Follow-up Period)	Past Due	On-Schedule	Complete
1919	UMD Fine Arts, School of FY19	1	7	Partially Implemented	1		
2106	University Health & Safety FY21	1	10	Partially Implemented	1		
2127	UMD HR FY21	2	4	Not Implemented	1		
				Partially Implemented	1		
2205	Dentistry, School of FY22	3	27	Completed		2	
				Partially Implemented	3		
2207	Canvas & Unizin FY22	0	5	Completed		1	
2220	UMD Health Services FY22	0	10	Completed		1	
2301	Energy Management FY23	5	19	Partially Implemented	5	1	
2303	Systemwide Student Disability Resources FY23	0	1	Completed		1	
2305	Veterinary Medical Center FY23	1	12	Completed		3	
				Not Implemented	1		
				Partially Implemented	1		
2307	Research Animal Resources FY23	0	3	Completed		2	
2312	CUHCC FY23	1	12	Partially Implemented	1		
2313	M&W Golf,W Gymnastics,W Tennis Compliance&Ops FY23	1	2	Partially Implemented	1		
2314	UMNTC Recreation & Wellness Center FY23	4	9	Completed		1	
				Not Implemented	1		
				Partially Implemented	3		
2315	UMD ITSS FY23	2	12	Completed		3	
				Not Implemented		4	
				Partially Implemented	2	2	
2317	Bell Museum FY23	2	12	Completed		3	
				Not Implemented		3	
				Partially Implemented	2		
2318	I-9 Temporary Process Compliance FY23	0	2	Completed		1	
2321	Hormel Institute FY23	0	7	Completed		3	
2322	UMD Dining Services FY23	5	6	Not Implemented	1		
				Partially Implemented	4		
2325	Boynton Health FY23	2	20	Completed		6	
				Not Implemented		6	
				Partially Implemented	2	6	
2402	eConsent FY24	0	4	Completed		4	
2405	Aerospace Engineering & Mechanics FY24	1	2	Completed		1	
				Partially Implemented	1		

## Essential Recommendation Implementation Rates

### Current Period

**Feb. 2024**

### Month / Year of Follow Up Report

	Feb. 2024	Oct. 2023	Jun. 2023	Feb. 2023	Oct. 2022	Jun. 2022	Feb. 2022	Oct. 2021	Jun. 2021	Feb. 2021	3 Yr. Average
Total Recommendations	86	96	97	76	59	62	87	66	86	84	-
Completed Recommendations	32	36	34	14	26	18	28	24	34	23	-
Implementation Rate	37%	38%	35%	18%	44%	29%	32%	36%	40%	27%	33%
Open Recommendations Past Due	57%	55%	40%	48%	45%	41%	42%	76%	62%	54%	51%

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

Audit/Report Date	Status- Partially Implemented or Not Implemented	Responsible Administrator	Summary of the Issue/Risk Involved	Current Comments From Management
UMN Duluth Fine Arts March 2019  # of Items: 1	Partially Implemented	Jeremy Youde	Tweed management should improve inventory and valuation records for its art collection. Specifically, Tweed should: <ul style="list-style-type: none"> <li>· Complete the in-process physical inventory, including ensuring the records of art in the inventory database are accurate and complete.</li> <li>· Schedule and conduct periodic inventories and appraisals of the art collection.</li> </ul>	<p>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.</p> <p>The inventory is now officially underway, though the process ran into significant bureaucratic hurdles. As detailed in the previous update and in line with the guidance received from the Office of the Vice Chancellor for Finance and Operations at UMD, CAHSS sought to hire three lead collections inventory specialists as independent contractors; however, OHR advised to instead hire the inventory specialists as employees, which delayed the start of the project.</p> <p>The three lead collections inventory specialists began their work in November 2023, and they have been working diligently since that time. Because of the delay in the start date for the inventory specialists, CAHSS has not yet had the opportunity to hire student employees to work alongside them. However, CAHSS has identified a group of students who are interested and have the necessary background to undertake this sort of work. CAHSS expects the students will begin working with the inventory specialists in January 2024. The inventory project is expected to be completed in 6-12 months.</p>
University Health and Safety Sept 2020  # of Items: 1	Partially Implemented	Katharine Bonneson	UHS and University management should consider establishing UHS as the central authority for University safety training. The central health and safety training authority would be responsible for: <ul style="list-style-type: none"> <li>· Ensuring an accurate and complete course listing.</li> <li>· Tracking course completion and follow-up centrally.</li> <li>· Reviewing and approving the University safety training program periodically to ensure sufficient coverage and oversight.</li> </ul>	<p>A Health Safety and Risk Management (HSRM) Safety Training Centralization Project was chartered in November 2022 and the project began in January 2023. Project scope has been defined as:</p> <ul style="list-style-type: none"> <li>-Verifying the current offering of general required safety courses provided by HSRM.</li> <li>-Identifying who needs required safety training and ensuring that we are communicating this appropriately.</li> <li>-Identifying pain points and improvement opportunities.</li> <li>-Implementing improvements for identifying who needs safety training and monitoring completion.</li> <li>-Engaging a vendor to audit safety training to ensure that HSRM courses are meeting regulatory and University requirements and best practices.</li> </ul> <p>A request for proposal (RFP) for a safety training audit was issued in September 2023. Four vendor responses were received and two vendors were invited to make presentations in December 2023. It is expected that a vendor will be engaged in this work by mid to late January 2024 with estimated completion in June 2024.</p> <p>Interviews were completed with Safety Training Subject Matter experts and processes were mapped.</p> <p>Health Sciences Technology (HST) was engaged in September 2023 to modify their Clinical &amp; Translational Science Institute Training tool. A gap analysis has begun to look at what functionality is to be kept and what changes will be requested for the HSRM Training Needs Assessment. HSRM is presently in the process of mapping necessary employee safety training assignments to questions that a supervisor or employee would answer regarding a new or transferred employee's job duties. Safety Training Need Assessment development will start in February 2024 with estimated completion by June 2024.</p> <p>Obstacles that could prevent progress include HSRM reliance on support and collaboration from multiple departments, including OIT, OHR, Purchasing, etc. Resource limitations could also impede progress as the contract cost has not been negotiated and system development costs could exceed budgeted amounts due to any unforeseen circumstances.</p>

Audit/Report Date	Status- Partially Implemented or Not Implemented	Responsible Administrator	Summary of the Issue/Risk Involved	Current Comments From Management
UMN Duluth Department of Human Resources August 2021	Not Implemented/ Partially Implemented	Lindsey Klegstad & Kayleigh Karppinen	<p>a) UMD HR should collaborate with OHR and UMN Duluth units to define and formally document service level expectations, roles, responsibilities, and resource allocations for HR/payroll functions (i.e., OHR, UMD HR, and UMN Duluth units and/or DL expectations). UMD HR should also work to leverage results from the PEAK initiative to identify areas where HR services can be further standardized and/or consolidated to increase consistency, improve efficiency and reduce the number of users with access to critical HR systems and data.</p> <p>b) UMD HR should work with OHR and the local halls in Duluth to develop a formalized agreement for trade employees.</p>	<p>a) UMD HR continues to work as a partner in Phase 1 of the PEAK initiative. OHR Operations Centers went live on December 4, 2023. UMD HR is now in the process of:</p> <ol style="list-style-type: none"> <li>1. Observing the new centers taking the duties they are projected to take and supporting UMD colleges and units through the new procedures for getting HR transactions processed. Once this transition has stabilized, UMD HR will begin focusing on calibrating local work for efficiency, consolidation, and consistency including both operational aspects of HR as well as strategic elements of HR at UMD.</li> <li>2. Determining what new local processes are needed to supplement the new ways of submitting tickets for HR transactions, and how the duties for those who did not take opportunities to transfer to the new service centers may be able to be reconfigured to complete remaining HR-related tasks.</li> </ol> <p>Concurrently with dovetailing the system-wide PEAK work that is underway, UMD HR continues to consider ideas for redesign of campus HR duties that remain now the new Operations Centers are live. Opportunities for further duties/workflow consolidation into UMD HR exist, and UMD HR is engaging local stakeholders in the process of determining which workflows would benefit from staying decentralized across campus or would be better served by being consolidated into UMD HR. This work requires considerable deliberation, buy-in, and careful planning. While this recommendation is over 2 years outstanding, the nature of this recommendation being so inextricably linked to the PEAK initiative explains why work surrounding this recommendation is still underway. Now that go-live for Phase 1 of PEAK has occurred, UMD HR is closer to seeing how redesign on a local level may work. UMD HR is finalizing its local redesign/consolidation and related process documentation. Lastly, many of the ideas and plans regarding a more centralized HR model at UMD necessitate the examination of staffing and budget due to UMD HR's very lean staffing model. This work takes considerable time, effort, and buy-in to initiate change on this level.</p> <p>b) As noted in the October 2023 update, while this recommendation is over 2 years outstanding, the complex nature of a proposed Trades agreement was one that ended up requiring consultation with OHR, OGC, and outside counsel as well as close collaboration with University Services since they have gone through a similar process previously for their formal Trades agreement. Since the October 2023 update, a trades agreement for the plumbers and electricians has been developed. UMD HR presented the proposed agreement to both the plumber's and electrician's unions and is awaiting a response from the unions.</p>
School of Dentistry (SOD) Sept 2021	Partially Implemented	Dr. Keith Mays	<p>SOD should improve processes for collecting on outstanding receivables to minimize exposure from uncollectible receivables and to increase the integrity of the financial statements.</p> <p>SOD should work with the external service provider to ensure A/R processes are complete, timely, and adequate follow-up is occurring.</p> <p>Credits due to patient accounts must be processed and refunds need to be made in a timely manner. SOD needs to create a systematic and continuous process for reviewing patient accounts and returning amounts owed to patients. Amounts that cannot be returned should be submitted to the state of Minnesota as unclaimed property.</p>	<p>The School of Dentistry (SOD) continues to work diligently towards closing out the remaining three (of 27) essential audit recommendations from its 2021 internal audit. Stabilized staffing levels in key areas related to the remaining open items and newly implemented technologies are supporting processes required to execute standard operations. Additionally, SOD is partnering with a third party to decrease outstanding accounts receivable. SOD expects to close the remaining three items by the end of this fiscal year.</p>
<b>Total: 7</b>				

## Collaborative Assessment Status Update

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

### Overview

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

### Key Challenges

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

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

### Progress

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

Despite this current and planned progress, the University will continue to accept some identified IAM risks beyond the expected reporting period as a matter of normal business operation. As circumstances and technologies change, the risks associated with these components will be

addressed through continuous process improvement, like other information technology improvements.

### **Strategy and Technology Sustainability**

IAM has successfully retired a legacy technology central to managing all IT accounts for the past thirty years. This represents a system-wide effort between IAM and distributed units to change how data flows into university technologies. This retirement is critical for moving to our newly acquired identity product. Once in place, this new identity solution will offer architectures and features that will enable a more cogent IAM ecosystem that provides the foundational capabilities needed to address the collaborative assessment sustainably. The project is expected to be delivered before the end of 2025.

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

### **Staffing**

The IAM program is now engaging in PEAK's new Virtual Team capability. If done successfully, this will enable IAM to support its initiatives while delivering value to the entire University. The goal of this effort goes beyond executing a work plan. Instead, we seek to facilitate symmetric learning between central and distributed units so that IAM learns more about the business needs of the system and the technologists in distributed units learn more about IAM's complex objectives. Through this learning, we expect to find solutions and drive University-wide decisions more rapidly than could be achieved otherwise.

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

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

### **Criteria for Deprovisioning**

In the area of criteria for deprovisioning, the IAM department has successfully facilitated the discussions needed for University leadership to agree on decisions needed to define how email

technology will be deprovisioned for those departing the institution. The consensus required input from distributed units, as well as central units, including the Office of Human Resources (OHR), Academic Support Resources (ASR), Health Information Privacy Office (HIPCO), University Information Security (UIS), the University of Minnesota Alumni Association (UMAA), and the University of Minnesota Foundation (UMF).

Now that consensus has been achieved, the communications have been sent to users and supporting staff outlining the changes and their effective dates. Implementation of the technology changes is now underway, and once complete, it will allow the University to deprovision technology access from accounts as a person's relationship with the University changes. However, this effort goes beyond deprovisioning email and other technologies as it represents a shift in the thinking of professionals across the institution.

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

### **Business Operational Requirements**

Since the last update, a substantial portion of the IAM department's work has been focused on delivering consensus for the definitions and a shared understanding of business needs related to email access. The IAM team worked with OHR, ASR, UIS, UMF, UMAA, HIPCO, and system-wide IT leaders to create an email deprovisioning capability that is predictable and well-understood by technology professionals. This work included addressing complex business requirements for users with multiple affiliations with the University of Minnesota and managing the unique business cases of the stakeholder business units. This collaboration is one of the most critical elements of delivering resolutions to the collaborative assessment findings, as this shared understanding creates the basis for establishing broader technology access governance across other enterprise applications.



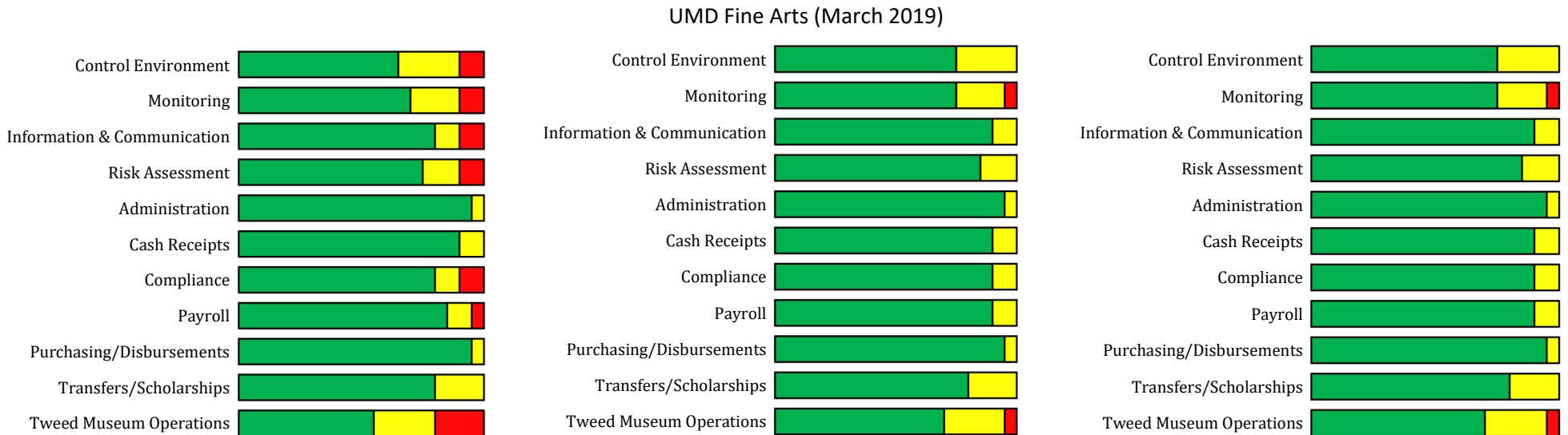
## Progress on Implementation of Audit Recommendations

The bar charts shown below are presented to provide pictorial displays of the progress units are making on implementing audit recommendations rated as "essential." The bar chart included in the original report is shown in the left column, along with updated bar charts showing the previous audit period and the current status of the "essential" recommendations only (those bars that have red segments). The chart in the center column displays the status as of October 2023, while the chart on the right represents the current status. Charts are not presented for investigations nor audits with highly targeted scopes, such as senior leader transition reviews and the I-9 Temporary Process Compliance audit. Charts for those units having implemented all "essential" recommendations during the current audit period, excluding I-9 Temporary Process Compliance, are shown at the end of this report.

Original Report Evaluation

Previous Audit Period Evaluation

Current Audit Period Evaluation



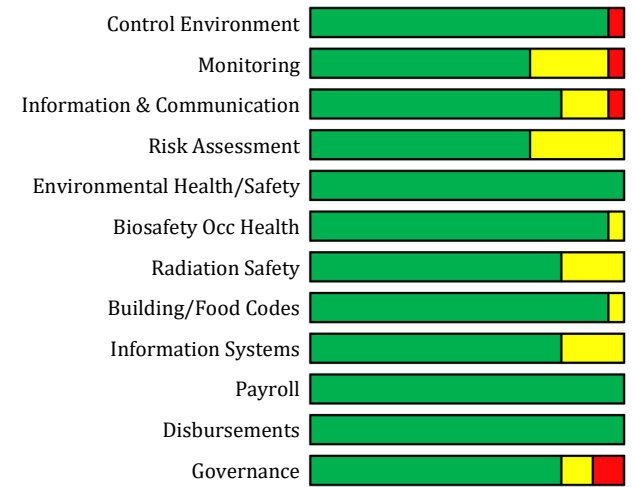
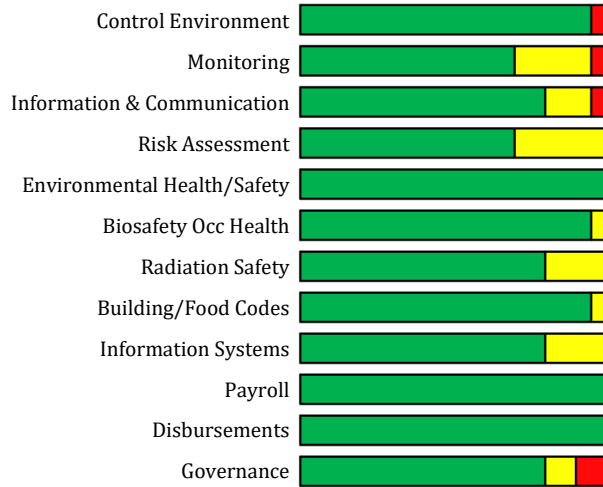
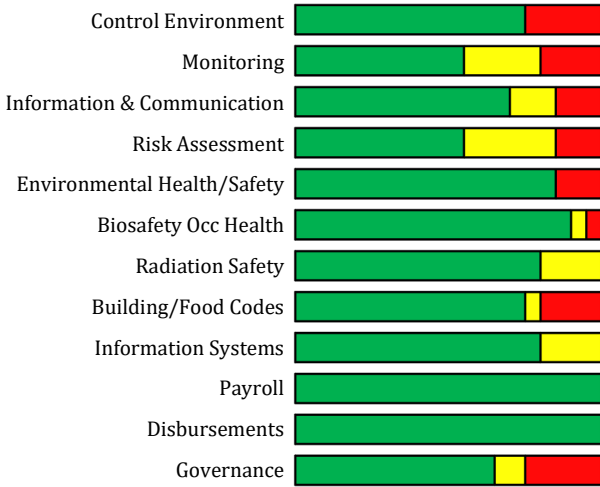
■ Adequate Control   
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Original Report Evaluation

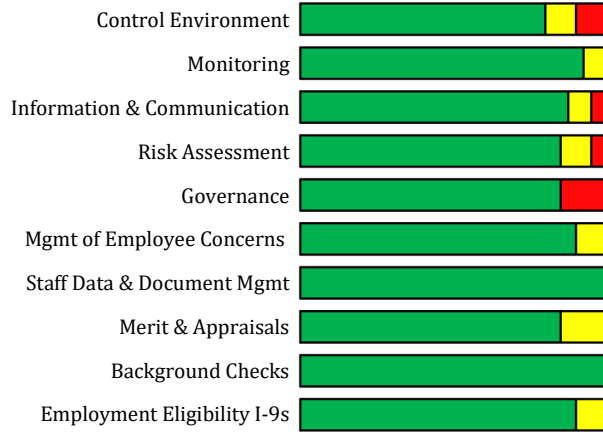
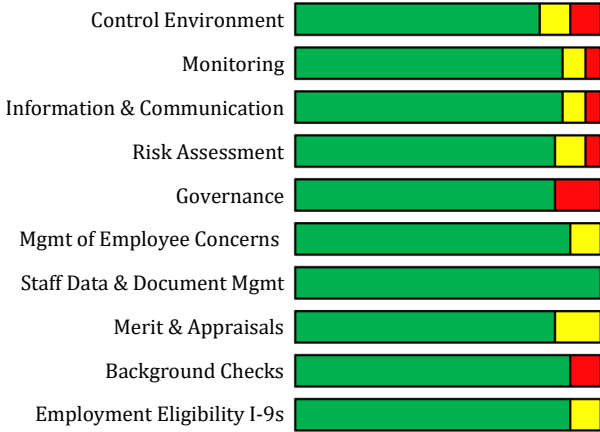
Previous Audit Period Evaluation

Current Audit Period Evaluation

University Health & Safety (September 2020)

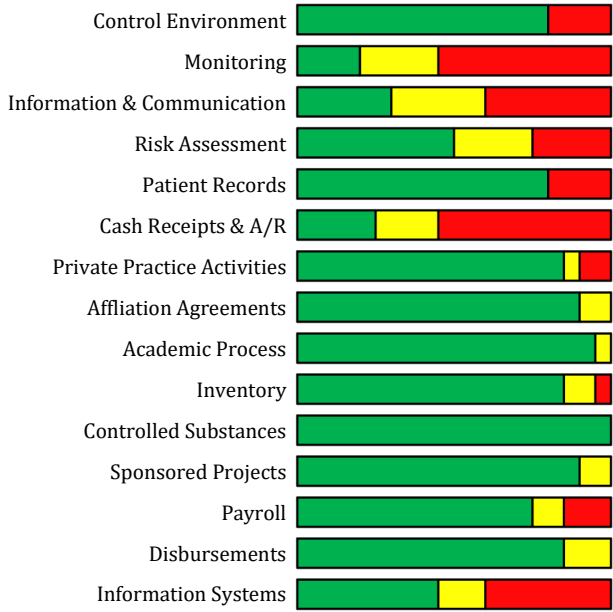


UMN Duluth Department of Human Resources (August 2021)



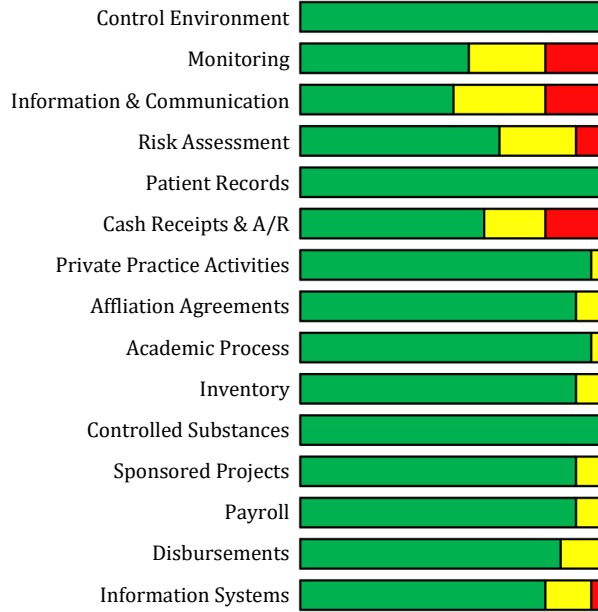
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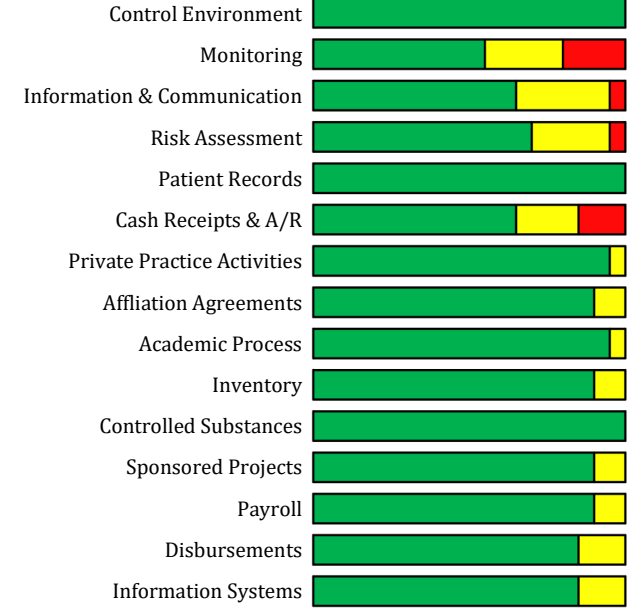


Previous Audit Period Evaluation

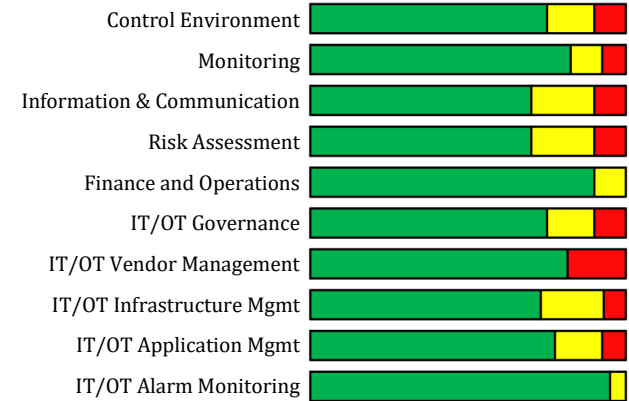
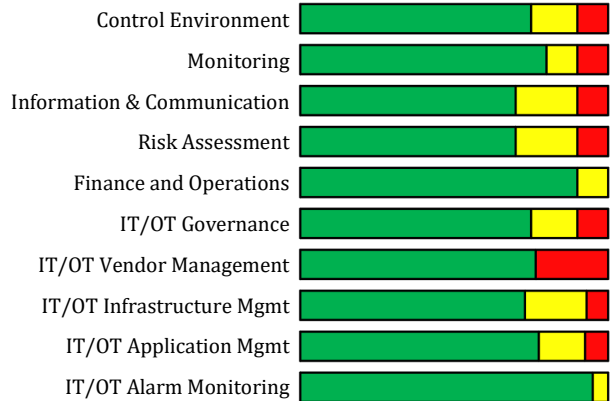
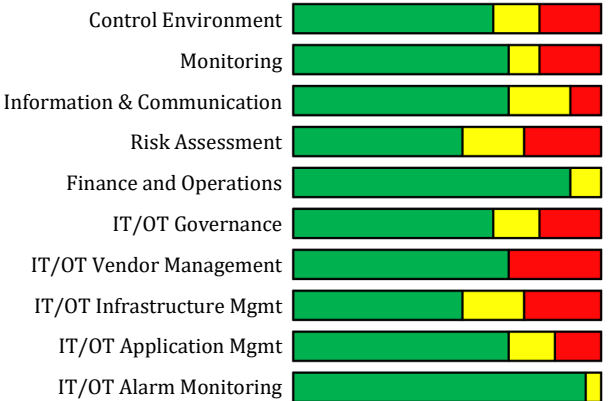
School of Dentistry (September 2021)



Current Audit Period Evaluation

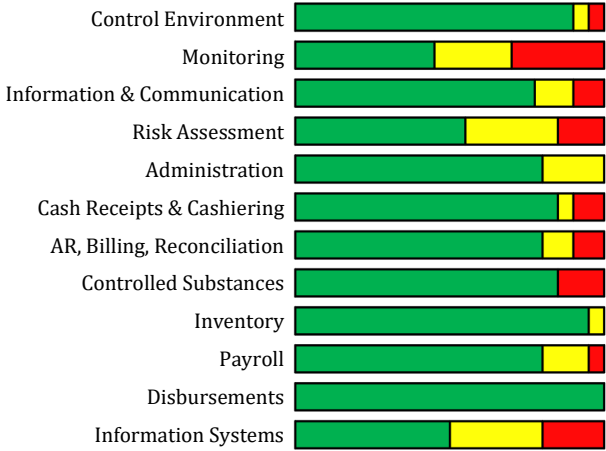


Energy Management (July 2022)



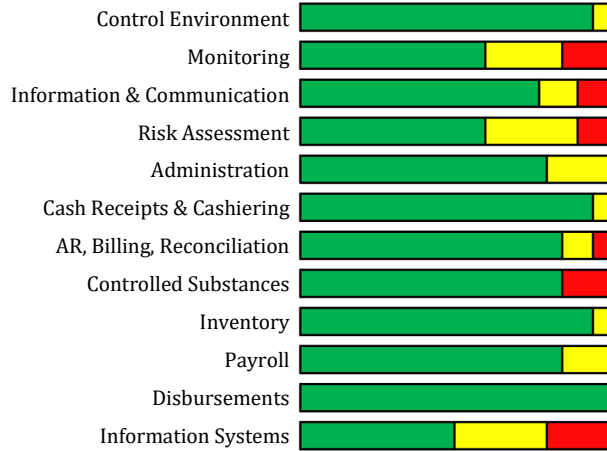
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Original Report Evaluation

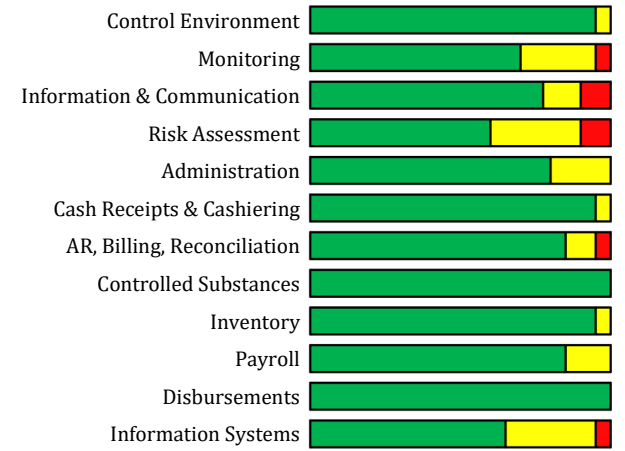


Previous Audit Period Evaluation

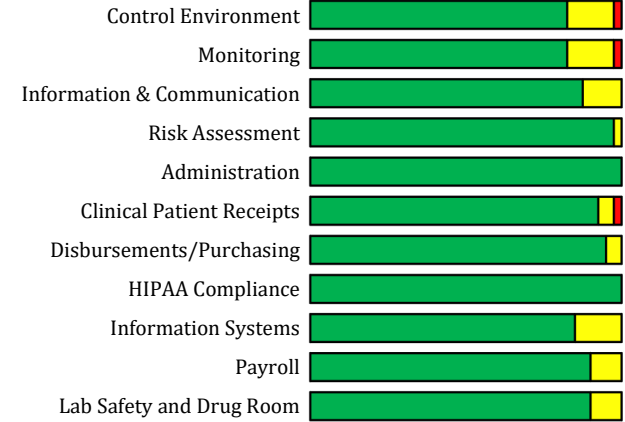
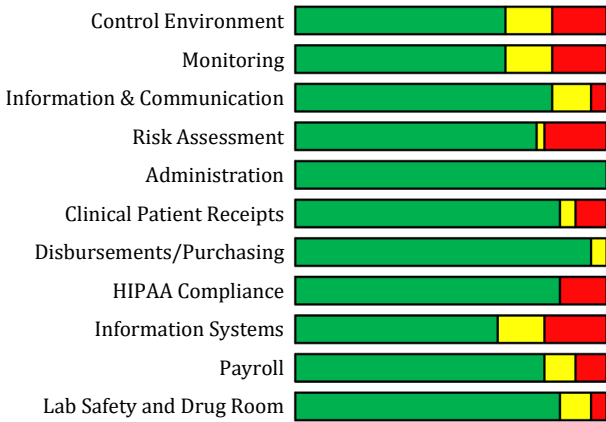
Veterinary Medical Center (August 2022)



Current Audit Period Evaluation



Community-University Health Care Center (December 2022)



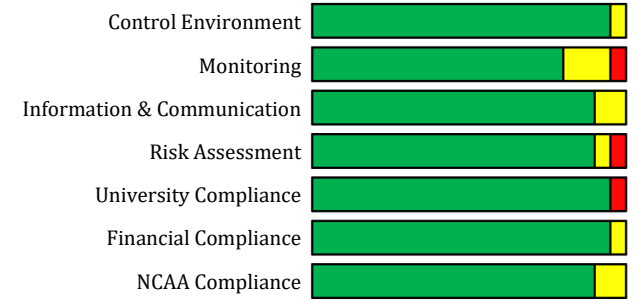
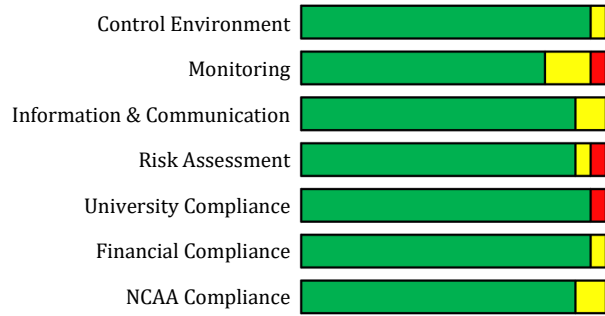
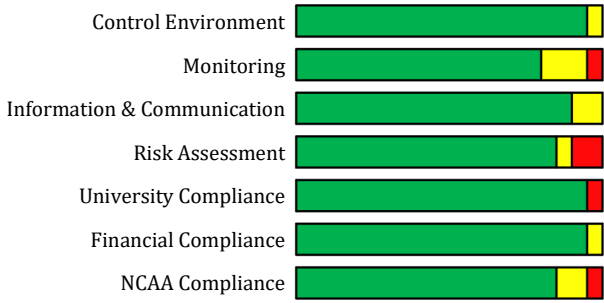
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Original Report Evaluation

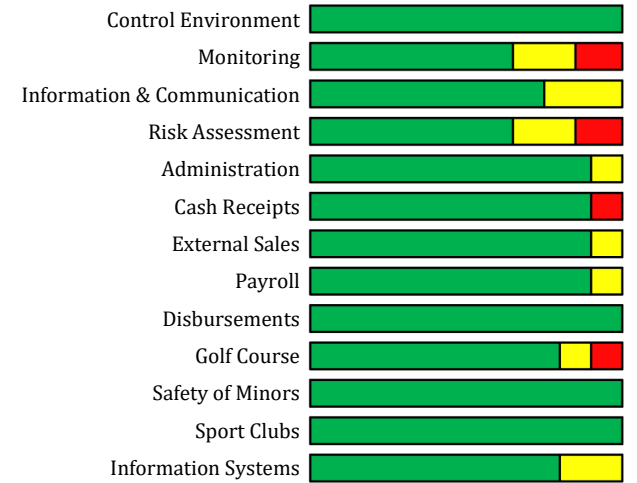
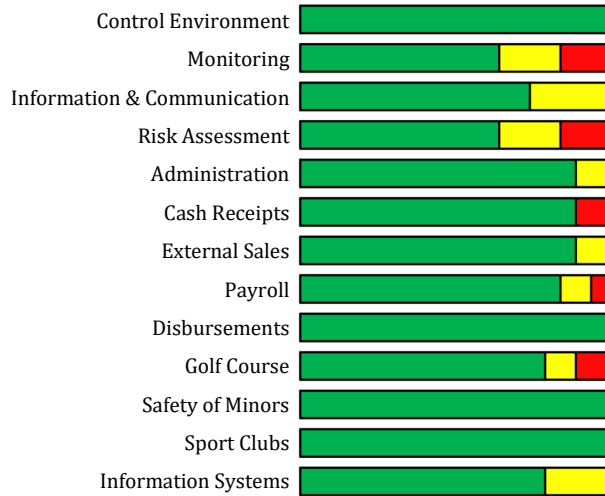
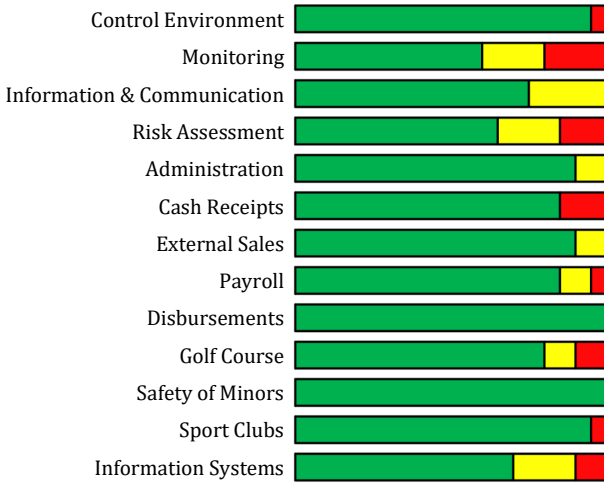
Previous Audit Period Evaluation

Current Audit Period Evaluation

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



University Recreation and Wellness (January 2023)



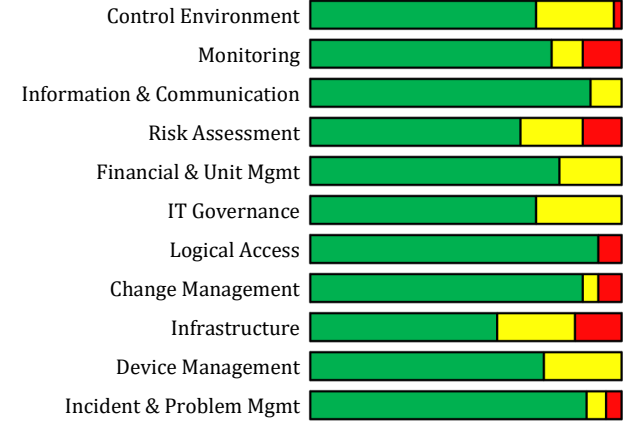
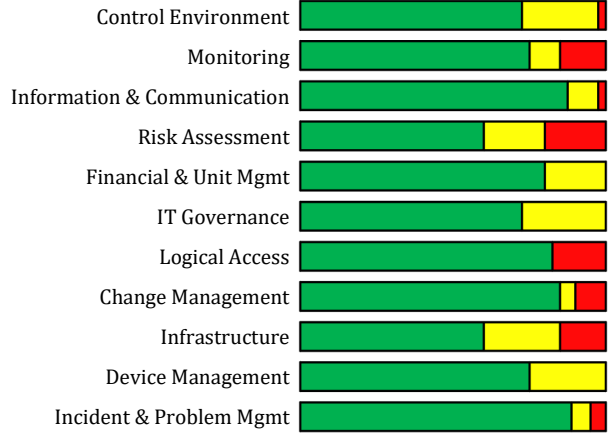
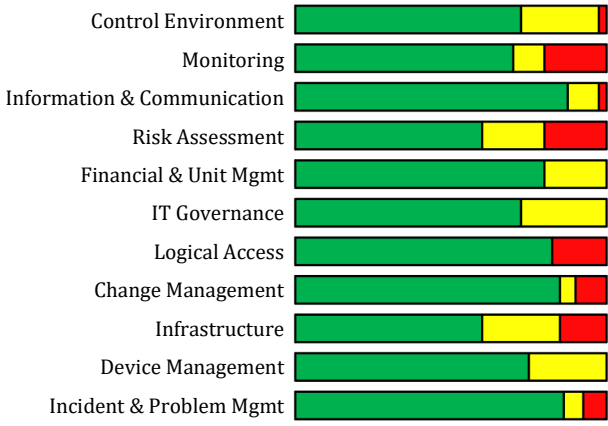
■ Adequate Control   ■ Significant Control Issue(s)   ■ Essential Control Issue(s)

Original Report Evaluation

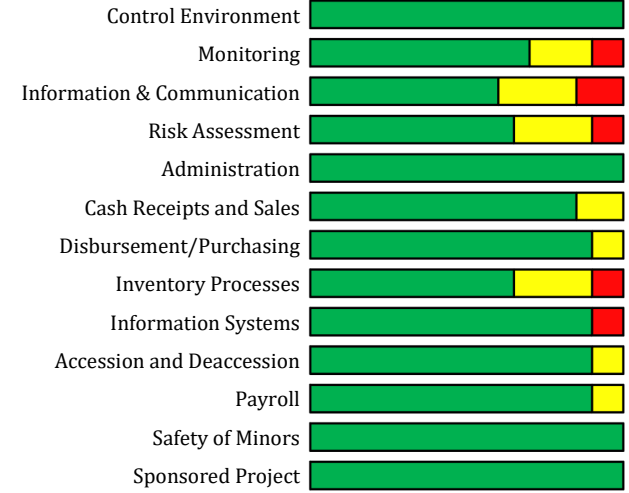
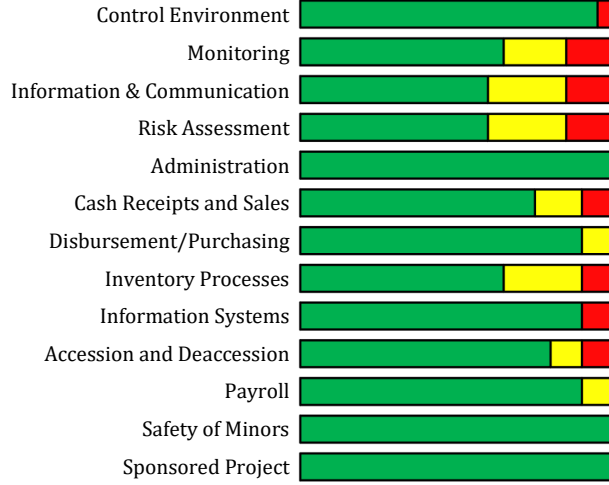
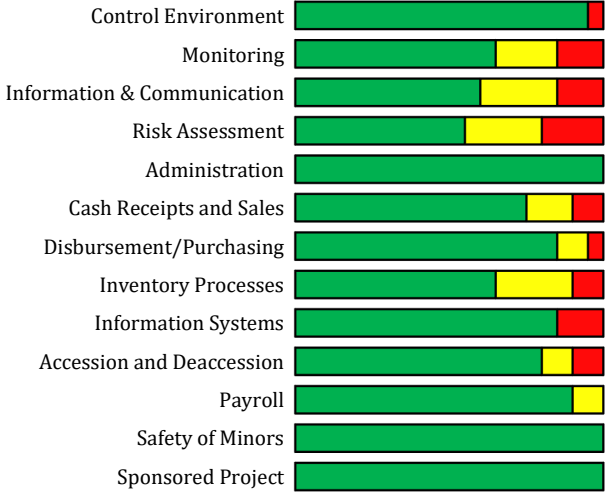
Previous Audit Period Evaluation

Current Audit Period Evaluation

UMD Information Technology Systems and Services (February 2023)

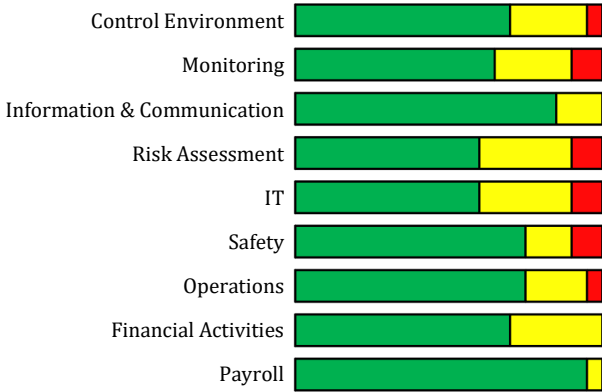


Bell Museum (April 2023)

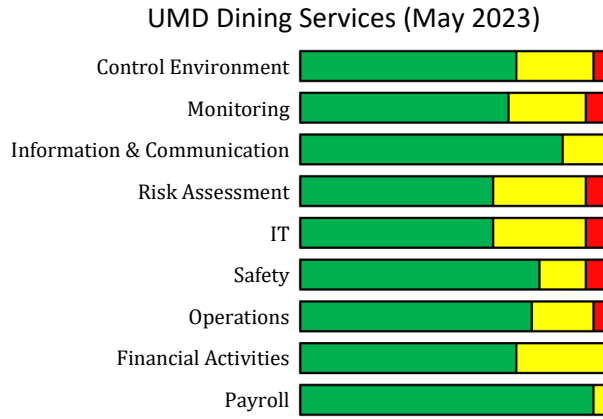


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 ■ Significant Control Issue(s)   
 ■ Essential Control Issue(s)

Original Report Evaluation



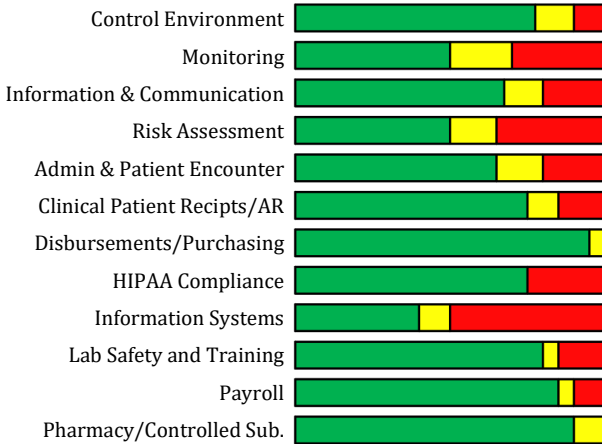
Previous Audit Period Evaluation



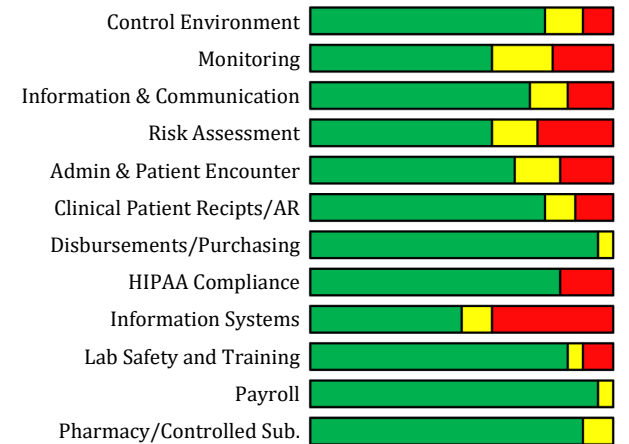
Current Audit Period Evaluation



Boynton Health (June 2023)

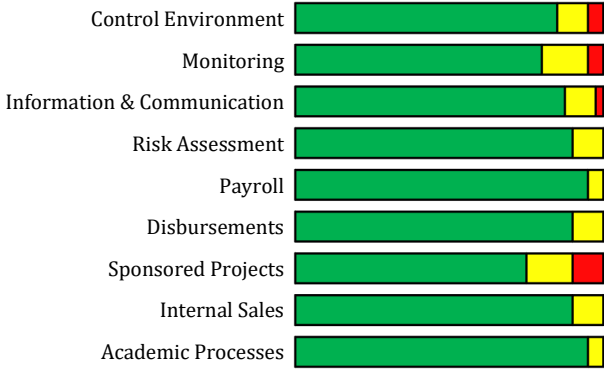


NO PREVIOUS CONTROL EVALUATION CHART



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

Original Report Evaluation

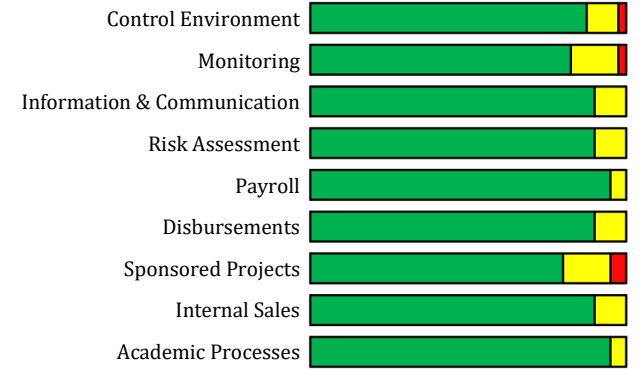


Previous Audit Period Evaluation

Aerospace Engineering & Mechanics (September 2023)

NO PREVIOUS CONTROL EVALUATION CHART

Current Audit Period Evaluation

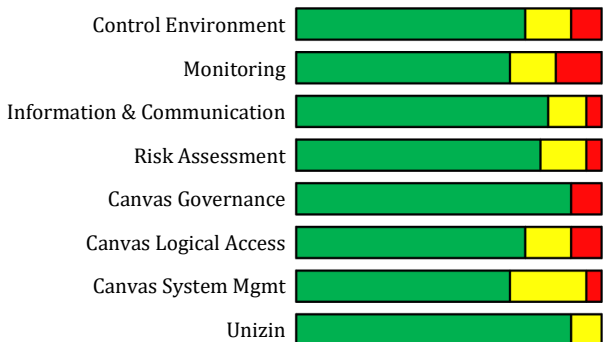


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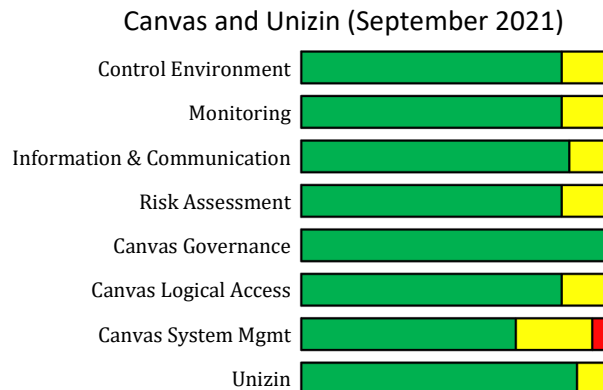


# Fully Implemented "Essential" Recommendations During the Past Audit Period

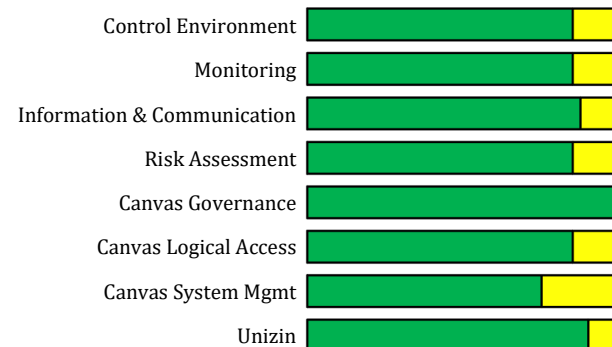
Original Report Evaluation



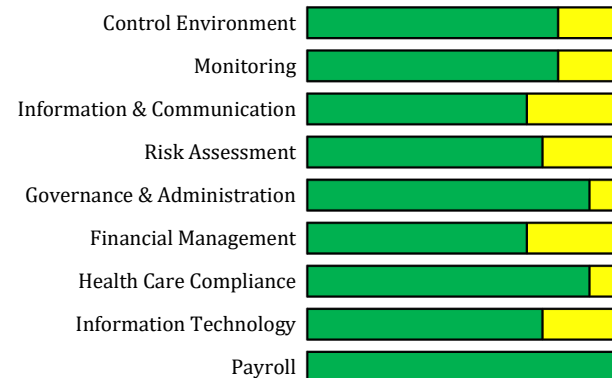
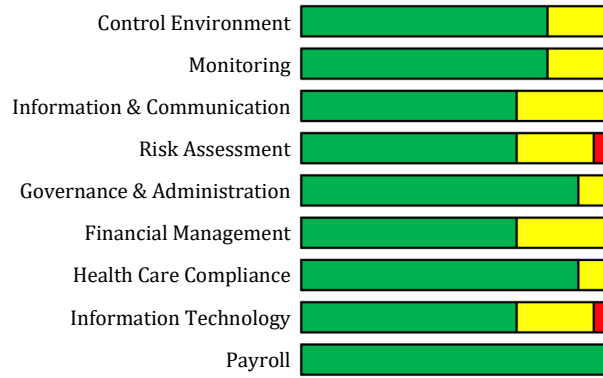
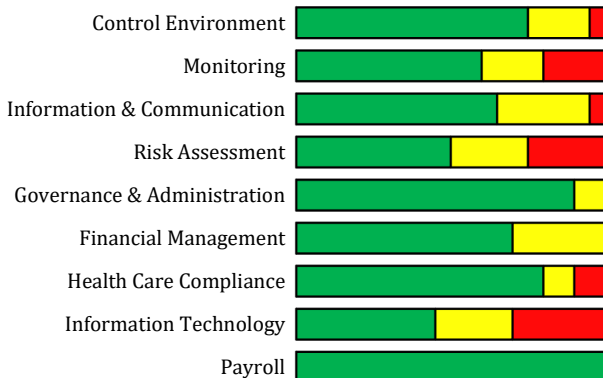
Previous Audit Period Evaluation



Current Audit Period Evaluation

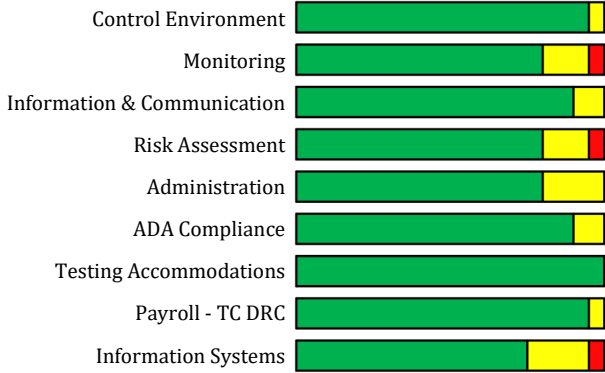


UMD Health Services (May 2022)



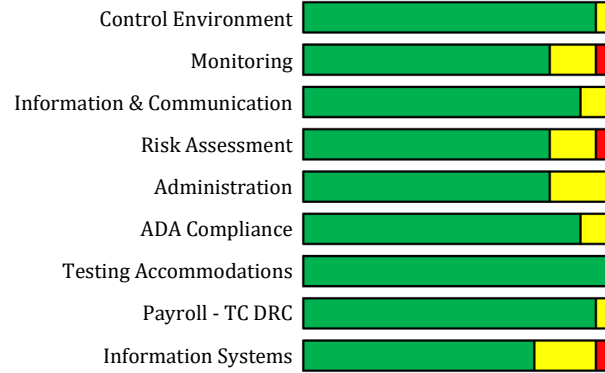
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Original Report Evaluation

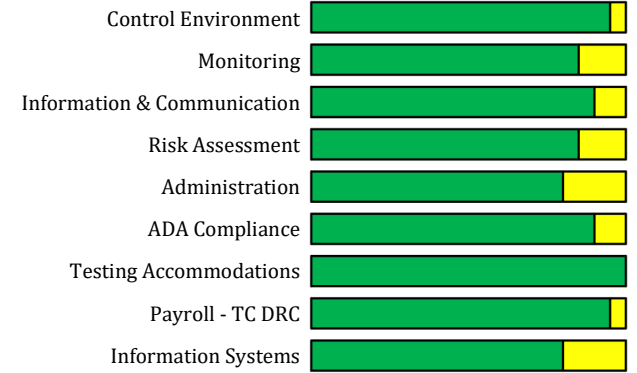


Previous Audit Period Evaluation

Systemwide Student Disability Resources (August 2022)



Current Audit Period Evaluation

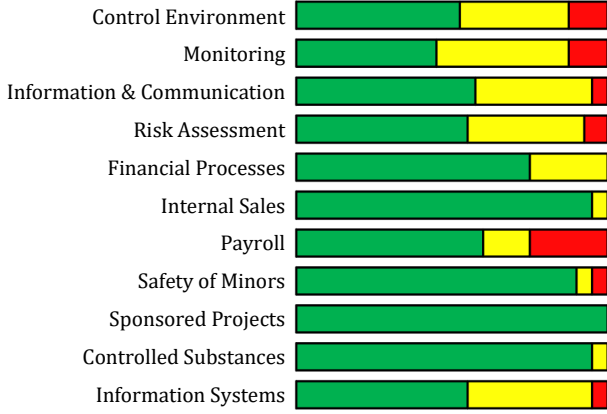


Research Animal Resources (August 2022)

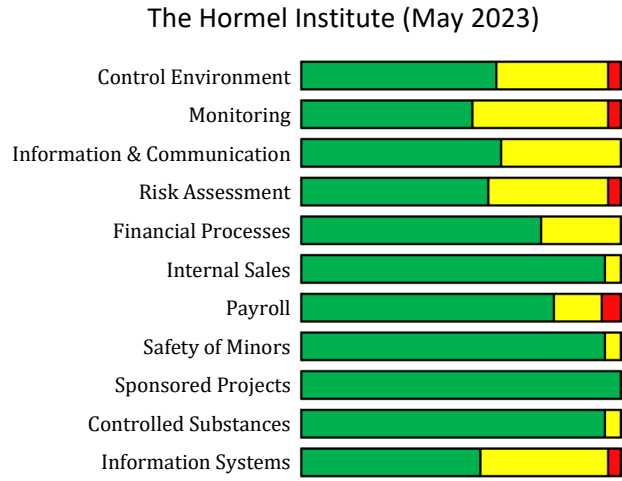


■ Adequate Control   ■ Significant Control Issue(s)   ■ Essential Control Issue(s)

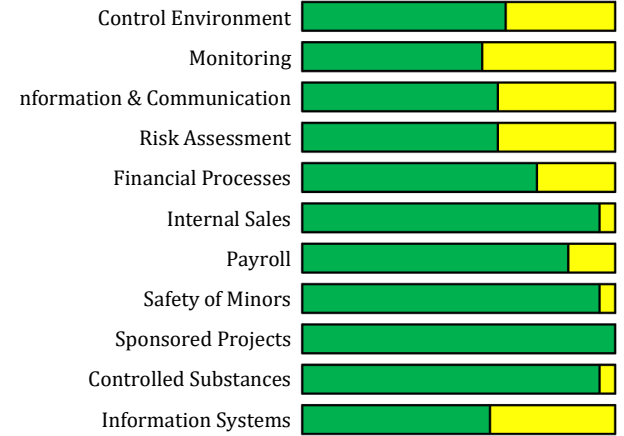
Original Report Evaluation



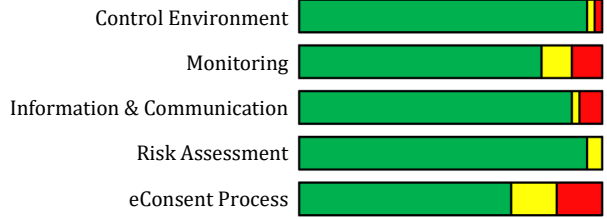
Previous Audit Period Evaluation



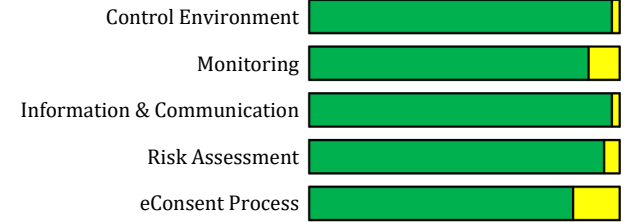
Current Audit Period Evaluation



eConsent (July 2023)



NO PREVIOUS CONTROL EVALUATION CHART



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

# Audit Activity Report

## Scheduled Audits

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### Completed Audits Of:

- College of Liberal Arts – Dean Transition Review
- College of Design – Dean Transition Review
- Men’s and Women’s Track & Field and Cross Country
- Law School - Dean Transition Review
- OIT Central Server Administration
- NXT GEN MED
- UMD Athletics
- Gramm–Leach–Bliley Act Compliance

### Began/Continued Audits Of:

- Firewall Management
- Office of Academic Clinical Affairs Select Centers and Administration
- College of Liberal Arts School of Music and Department of Theatre Arts and Dance
- Effort Management
- Health Insurance Portability and Accountability Act (HIPAA) Governance & Oversight
- Office of Investments and Banking – Chief Investment Officer Transition Review
- Parking and Transportation Services
- Masonic Cancer Center
- School of Public Health – Dean Transition Review
- UMD Facilities Management
- UMD Office of the Registrar

## Investigations

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

## Special Projects

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- Conducted gift and endowment account process review and testing for University accounts that received Minnesota Landscape Arboretum Foundation funds.
- Provided advisory services related to University payroll exception testing.
- Provided technology advisory services in several areas including: identity and access management, data center management, vendor management, logging and monitoring, and information security and compliance.
- Continued to advise the University’s incident response team on the recent publicized data breach and provided regular updates to the Office of Legislative Auditor (OLA) on the incident and response.

## Other Audit Activities

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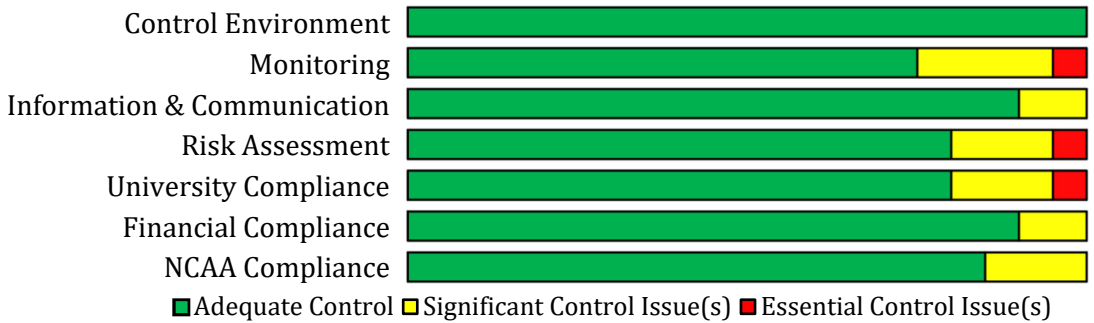
### Participated in the following:

- President’s Cabinet
- Senior Leadership Team
- President’s Policy Committee

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

## Audit Reports Issued Since October 2023

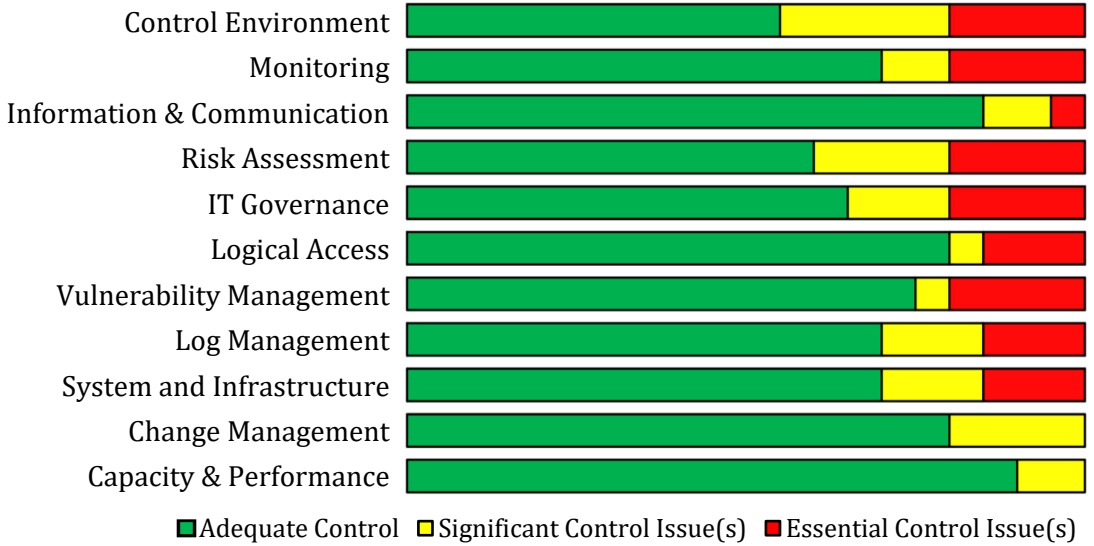
### Men’s Cross Country/ Track & Field, and Women’s Cross-Country Track & Field Sport Compliance & Operations Control Evaluation



<b>Report Number:</b>	2408	<b>Issue Date:</b>	December 2023
<b># of Essential Recs:</b>	1	<b>Total # of Recs:</b>	9
<b>Overall Assessment:</b>	Good	<b>Adequacy of MAP:</b>	Good

One Twin Cities’ sport audit is typically conducted annually in consultation and coordination with the Office of Athletic Compliance (OAC). Because of the distribution of activities, audit procedures performed involved staff in the OAC, Athletics Business Office, and coaches and student-athletes in each of the sports. The five sport programs included in this audit are led by one director/head coach and have a total of 90 student-athletes. The results of the audit work affirmed these sports and the OAC have jointly developed a control environment that addresses most risks associated with compliance with NCAA rules and regulations as well as University operational and financial policies. Our student-athlete interviews and survey, and coaching staff interviews, identified overall positive reactions towards NCAA compliance with an emphasis on ethical behavior. However, the audit identified one essential issue related to compliance with the Safety of Minors policy requirements for background checks and training for sport camps.

## OIT Central Server Administration Control Evaluation

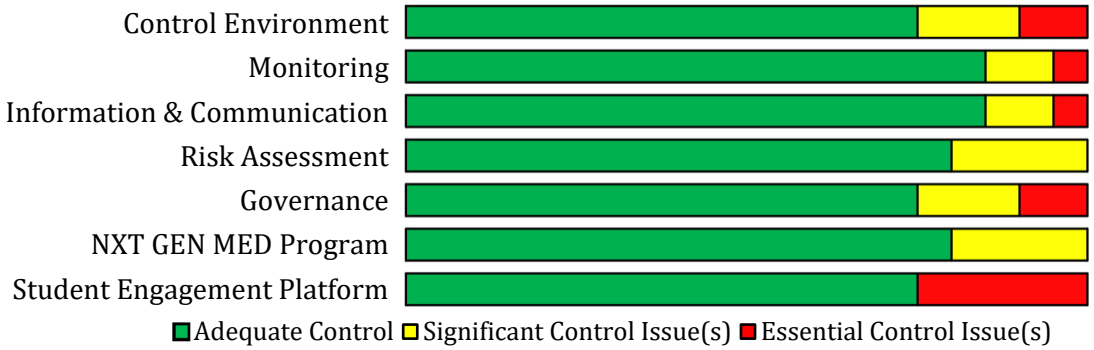


<b>Report Number:</b>	2410	<b>Issue Date:</b>	January 2024
<b># of Essential Recs:</b>	12	<b>Total # of Recs:</b>	18
<b>Overall Assessment:</b>	Needs Improvement	<b>Adequacy of MAP:</b>	Good

Office of Information Technology (OIT) Hosting Services provides storage services and professionally managed servers at no direct cost to University academic and administrative units. These servers host many of the University’s most critical systems and data. The team has broadly expanded server management, security, and reliability since our last audit in 2015. This was achieved in large part through server virtualization, which has enabled an 80% growth in the number of managed servers since 2015 and with improved system availability. However, given the high-level of inherent risk associated with their services, OIT Hosting server management controls need improvement to minimize risks. Some of these issues were also identified in the 2015 audit report, but the corrective actions were either not sustainable, or the issues have since reemerged.

Please note, as the report is nonpublic, the Office of the General Counsel (OGC) has advised it should not be discussed in any detail at an open meeting of the Audit and Compliance Committee.

## NXT GEN MED Control Evaluation

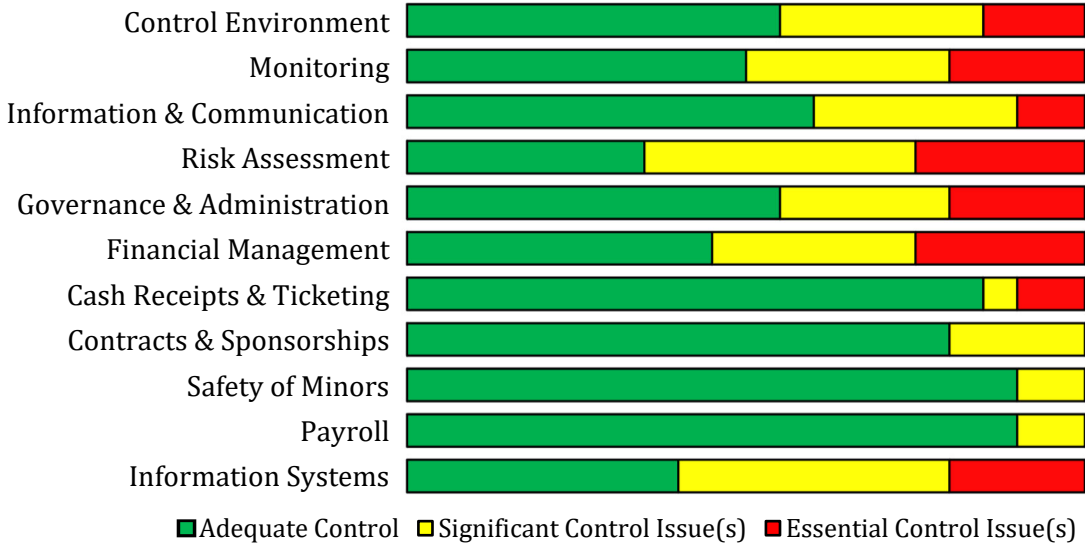


<b>Report Number:</b>	2411	<b>Issue Date:</b>	January 2024
<b># of Essential Recs:</b>	2	<b>Total # of Recs:</b>	12
<b>Overall Assessment:</b>	Adequate	<b>Adequacy of MAP:</b>	Good

NXT GEN MED (NGM) was established as a President driven initiative in alignment with MPact 2025. NGM is a year-round, two-and-a-half-year innovative program that utilizes an existing degree at UMR with a predefined course progression/schedule to develop skills highly desired by employers and provide students with real world experiences. The program also leverages Mayo Clinic funded internships and high-touch technology created in partnership with Google and referred to as the Student Engagement Platform (SEP). Our audit found NGM overall has an adequate level of controls, but improvements are needed especially related to governance and IT controls. Many of the issues identified in this audit likely stem from a lack of an overarching governance structure to provide coordination and oversight across the program and technology. This led to process and communication issues, particularly related to the SEP. The University spent nearly \$3 million for the SEP, which ultimately did not meet expectations, contained multiple security vulnerabilities, required relatively high levels of internal IT resources to support, and at the time of the audit was not being used by NGM. While pilot programs are intended to drive new and innovative tools and educational models, which inherently comes with risk, additional governance structures are needed to improve oversight of these projects to manage and minimize these risks and potential financial losses. This is especially important given NGM is part of a portfolio of pilot certificate and degree programs at the University under the umbrella term “NXT GEN.” After our audit was completed, Google committed to re-engaging with the University to try to address the SEP issues and offer a more secure and broadly usable tool. If the SEP is used again in the future, the instances of noncompliance with University information security requirements will need to be addressed to ensure the security of University data and technology tools.



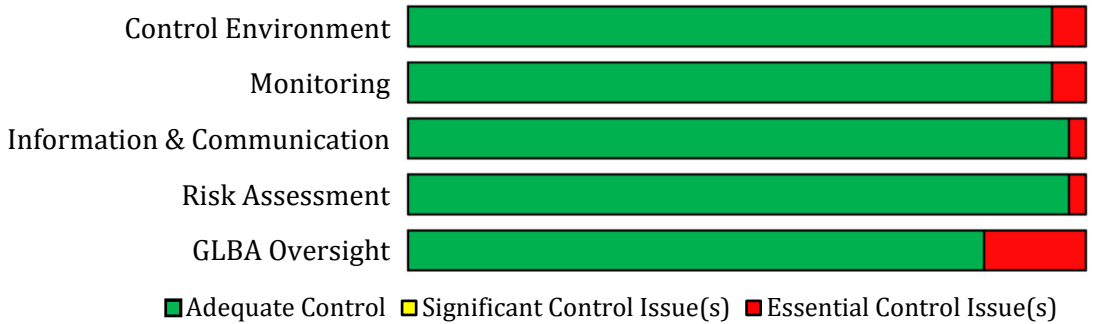
## UMD Athletics Control Evaluation



<b>Report Number:</b>	2412	<b>Issue Date:</b>	January 2024
<b># of Essential Recs:</b>	14	<b>Total # of Recs:</b>	48
<b>Overall Assessment:</b>	Needs Improvement	<b>Adequacy of MAP:</b>	Good

UMD Athletics has 383 student-athletes participating across six men’s and eight women’s sports teams. The men’s and women’s hockey teams compete at Division I, while other UMD sports compete at Division II. UMD teams have had considerable success in recent years, including recent Division I men’s hockey championships. Despite UMD Athletics’ competitive successes and their leadership’s strong commitment to mission, our audit found UMD Athletics’ administrative control environment and system of internal controls does not sufficiently address all critical risks. We identified issues across most areas reviewed. Several of these issues stem in part from informal processes or process gaps, and staffing constraints resulting in individuals performing multiple roles. Additionally, the IT support model does not include IT oversight by an IT professional, which likely contributed to several IT-related issues identified. While all these report issues warrant management attention, it is important to note that none have resulted in any known major problems to date (e.g., material financial loss or critical errors). Many of the identified issues pre-date the current director of athletics who began in August 2022, and UMD Athletics is aware of and actively taking steps to address these critical risks. However, these efforts are complicated by UMD Athletics’ ongoing financial challenges, which currently has them operating at a structural deficit. UMD Athletics has performed various analyses which demonstrate its central funding is considerably less than peer institutions and is working with UMD leadership to review this in conjunction with other efforts to increase revenue.

## GLBA Compliance Control Evaluation



<b>Report Number:</b>	2413	<b>Issue Date:</b>	January 2024
<b># of Essential Recs:</b>	3	<b>Total # of Recs:</b>	3
<b>Overall Assessment:</b>	Good	<b>Adequacy of MAP:</b>	Good

The Gramm-Leach-Bliley Act (GLBA) is a federal law that requires financial institutions to explain their information-sharing practices to their customers and to safeguard their sensitive data. The University is required to comply with GLBA as it engages in financial activities, such as processing student loans. While the law has been in place for decades, its Safeguard Rule was updated in 2021 in response to changing technology. This includes requirements to develop and maintain an information security program (ISP) to protect the security, confidentiality, and integrity of customer’s nonpublic personally identifiable information. The Controller’s Office’s Accounts Receivable Services coordinates the ISP for the University and provides overall oversight of compliance, while each college or unit handling GLBA information is responsible for establishing their own GLBA processes and procedures. Our audit affirmed the Controller’s Office has developed a control environment and a system of internal control that addresses most major compliance risks surrounding GLBA. This includes the risk assessment processes performed by the Controller’s Office, which provides sufficient coverage to meet new GLBA requirements. However, additional validation and oversight will be needed to ensure ongoing compliance. Essential issues identified in this report include the need for a secure internal storage solution and to resolve conflicting guidance for storing GLBA data, a lack of monitoring to ensure employees receive required training, and some GLBA requirements not being met nor verified by the Controller’s Office.

## Transition Review Reports Issued Since October 2023

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

### College of Liberal Arts - Dean

<b>Report Number:</b>	2406	<b>Issue Date:</b>	November 2023
<b># of Essential Recs:</b>	0	<b>Total # of Recs:</b>	1
<b>Overall Assessment:</b>	NA	<b>Adequacy of MAP:</b>	Good

The review of the dean of the Twin Cities College of Liberal Arts (CLA) transition focused on the administrative aspects of the transition, including any financial or other arrangements made by the departing dean and whether all administrative tasks were current. Financial activities were reviewed from the second half of fiscal year 2023 and up to three years prior. The audit results found most administrative activities of the former dean were completed to enable a smooth transition for the incoming dean. Only one report issue was identified related to the lack of documentation of performance appraisals for the former dean's direct reports. In addition, we identified a few other opportunities for administrative improvement not related to the audit's scope. These items are indicative of the need for general process improvements not specific to this transition review and were communicated separately to CLA leadership.

### College of Design - Dean

<b>Report Number:</b>	2407	<b>Issue Date:</b>	November 2023
<b># of Essential Recs:</b>	0	<b>Total # of Recs:</b>	1
<b>Overall Assessment:</b>	NA	<b>Adequacy of MAP:</b>	Good

The review of the dean of the College of Design (CDes) focused on the administrative aspects of the transition, including any financial or other arrangements made by the departing dean and whether all administrative tasks were current. Financial activities were reviewed from September 5, 2023, and up to three years prior. The audit results affirmed that the activities of the former dean reflect a prudent use of University resources and thoroughness in the necessary administrative functions required for a smooth transition. The audit resulted in only one report issue related to documentation and timely reporting of some of the previous dean's expenses. In addition, we identified a few other opportunities for administrative improvement not related to the audit's scope. These items are indicative of the need for general process improvements not specific to this transition.

## Law School - Dean

<b>Report Number:</b>	2409	<b>Issue Date:</b>	December 2023
<b># of Essential Recs:</b>	0	<b>Total # of Recs:</b>	1
<b>Overall Assessment:</b>	NA	<b>Adequacy of MAP:</b>	Good

The review of the Law School dean's transition focused on the administrative aspects of the transition, including any financial or other arrangements made by the departing dean and whether all administrative tasks were current. Financial activities were reviewed from fiscal years 2021-2023. The audit results found most administrative activities of the former dean were completed to enable a smooth transition for the incoming dean. Only one report issue was identified related to the lack of documentation of performance appraisals for the former dean's direct reports. In addition, we identified a few other opportunities for administrative improvement not related to the audit's scope. These items are indicative of the need for general process improvements not specific to this transition review and were communicated separately to Law School leadership.

## SNAP Review Summary

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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 review we conducted during this reporting period.

### **Travel Card Submission**

This SNAP review analyzed approximately 5 ½ years of travel card expenses that were not submitted within 60 days of the expense date to ensure compliance with University policy and applicable tax regulations.

## 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	Recommendation Rating	Status of Essential Recommendation	PEAK Service Area	PEAK Phase (of unit)
<b>Fiscal Year 2024</b>							
UMD Athletics	January 2024	UMD Athletics' primary financial employee is dedicated 85% to UMD Athletics and 15% to other UMD departments and has no reporting line to UMD Athletics despite the majority of this position's work relating to UMD Athletics. The longtime financial employee is retiring, and it may not be feasible for their replacement to produce the same work output as an employee with decades of experience with UMD Athletics. Additionally, many recommendations in the audit report will likely require new independent monitoring controls to be implemented, which may result in an increased workload for the financial position.	UMD is currently looking at how to efficiently and effectively utilize the position in a post PEAK implementation environment as part of a larger look at efficient and effective implementation of financial resources across campus.	Significant	N/A	Finance	Phase 1
<b>Fiscal Year 2023</b>							
UMD Dining Services	May 2023	Multiple units perform financial duties for Dining Services, and Dining Services' oversight of these activities is limited, which presents effectiveness and efficiency concerns.	Dining Services plans to evaluate its financial support model after the processes being addressed as part of PEAK are implemented.	Significant	N/A	Finance	Phase 1
		Dining Services IT support model involves various UMD units and responsibilities have not been formally defined. Additionally, there is no central oversight of Dining Services IT function by an IT professional.	Dining Services plans to work with UMD ITSS to identify a lead IT support person. This new IT support structure will be determined, at least in part, through the changes implemented as part of PEAK.	Significant	N/A	IT	
UMD Information Technology Systems and Services (ITSS)	February 2023	A comprehensive evaluation of IT staffing and support services for the UMD campus has not been performed nor initiated by UMD leadership, which is likely resulting in inefficiencies and increased noncompliance risks.	ITSS plans to work with UMD leadership to comprehensively evaluate the current IT support structure for the campus. This review will be coordinated with the work being done as part of the broader PEAK initiative.	Significant	N/A	IT	Phase 1
<b>Fiscal Year 2022</b>							
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.	N/A - this Collaborative Assessment identified Medium and Low risk areas for improvement, but not as recommendations	N/A	Human Resources	N/A
UMD Human Resources (UMD HR)	August 2021	Human resources' roles and responsibilities are not clearly defined and documented to ensure understanding, efficiency, and consistency.	UMD HR plans to assess the feasibility of a structural plan pending the results of PEAK.	Essential	Not Implemented	Human Resources	Phase 1
		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.	Significant	N/A	Human Resources	