M E M O R A N D U M

TO: Board of Visitors Audit Committee

Ross Mugler, Chair
R. Bruce Bradley, Vice Chair
Carlton F. Bennett *(ex-officio)*
Lisa B. Smith *(ex-officio)*
Jerri F. Dickseski
Donna L. Scassera
Robert M. Tata ’86

FROM: Gregory E. DuBois
Vice President for Administration and Finance

DATE: June 4, 2018

SUBJECT: Meeting of the Committee, June 14, 2018

The Board of Visitors Audit Committee will meet on Thursday, June 14, 2018, from 8:00 to 9:00 a.m., in Committee Room A (Room 2203) of the Broderick Dining Commons. The agenda for the meeting is noted below.

AGENDA

I. Approval of Minutes – The Committee will consider a motion to approve the minutes of the Audit Committee meeting held on Thursday, April 26, 2018.

II. Report from the Auditor of Public Accounts – LaToya Jordan, Director, and Holly Stout, Audit Manager.

III. Report from the Internal Audit Director – Amanda Skaggs, Internal Audit Director

A. Projects in Progress

1. General Accounting
2. Procurement Services
3. Card Center Information Technology
4. Office of the University Registrar
5. College of Health Sciences
6. Department of Human Resources
7. Transportation and Parking Services
8. Special Projects/ Consulting Engagements

B. Annual Risk Assessment

C. FY2018 Audit Plan Status and Proposed FY2019 Audit Plan

D. Completed Audit (Summary Enclosed)

1. College of Education

E. Open Audit Issues Update

IV. Overview of the Office of Institutional Equity & Diversity - ReNee Dunman, Assistant Vice President for Equity & Diversity.

APPROVED 6/8/17

OLD DOMINION UNIVERSITY
Internal Audit Department
Audit Plan
FY 2017-2018

Audit Activities	Area	Estimated Hours	Group Total
SCHEDULED AUDITS			
General Audits			
College of Health Sciences	Academic Affairs	350	
Department of Human Resources	Human Resources	350	
NCAA Compliance	Athletics	300	
Office of the President FY2017 Annual Audit	President's Office	100	
			1,100
Information Technology Audits			
Card Center Information Technology	Auxiliary Services	250	
			250
Integrated Audits (General and Information Technology)			
Transportation and Parking Services (Operational 350 IT 100)	Auxiliary Services	450	
Procurement Services (Operational 350 IT 100)	Financial Services	450	
Office of the University Registrar (Operational 350 IT 400)	SEES	750	
			1,650
Wrap-up of Audits Started In FY 2016-17			
Accounts Receivable: Cashiering & Student Billing & Touchnet (Operational 350 and IT 250)	Financial Services	200	
Banner Document Management System (BDMS)	Information Technology	70	
General Accounting	Financial Services	275	
Institutional Equity and Diversity	President's Office	300	
College of Education (Child Development Center IT) (Operational 350 and IT 150)	Academic Affairs	450	
Research Center for Bioelectrics	Office of Research	250	
			1,545
Total Scheduled Audits			4,545
OTHER AUDIT ACTIVITIES			
Fraud Waste and Abuse Hotline		250	
Agreed Upon Procedures for the Confucius Institute - PROPOSE TO REMOVE		100	
Audit Follow-Up: Quarterly Recommendation Status Updates		250	
Compliance Calendar Update		35	
Policy Review Committee		200	
Audit Software Updates and Reviews		100	
Quality Assurance Review		70	
Special Requests / Unscheduled Audits		350	
Total Other Audit Activities			1,355
Total Audit Hours			5,900

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OLD DOMINION UNIVERSITY
Internal Audit Department
Audit Plan
FY 2018-2019

Audit Activities	Area	Estimated Hours	Group Total
SCHEDULED AUDITS			
Audits			
Active Directory	Administration and Finance	350	
PCI Compliance	Administration and Finance	150	
Information Technology Services	Administration and Finance	350	
Academic Affairs	Academic Affairs	350	
Police Department (10 IT Systems)	Administration and Finance	650	
Office of Research	Research	575	
Payroll Benefits	Administration and Finance	300	
NCAA Compliance	Athletics	350	
Design and Construction	Administration and Finance	350	
International Programs: Study Abroad (1 IT System)	Academic Affairs	400	
Financial Aid - Institutional Scholarships	SEES	300	
Office of the President	Office of the President	100	
			4,225
Wrap-up of Audits Started In FY 2017-18			
General Accounting	Administration and Finance	-	
Procurement Services	Financial Services	25	
Card Center Information Technology	Administration and Finance	15	
College of Health Sciences	Academic Affairs	200	
Department of Human Resources	Human Resources	140	
Office of the University Registrar	SEES	180	
Transportation and Parking Services	Auxiliary Services	370	
			930
Total Scheduled Audits			5,155
OTHER AUDIT ACTIVITIES			
Fraud Waste and Abuse Hotline		200	
Agreed Upon Procedures for the Confucius Institute (2016 and 2017)		200	
Audit Follow-Up: Quarterly Recommendation Status Updates		200	
Compliance Calendar Update		35	
Policy Review Committee		100	
Audit Software Updates and Reviews		100	
External Quality Assurance Review		350	
Special Requests / Unscheduled Audits		300	
Total Other Audit Activities			1,485
Total Audit Hours			6,640

OLD DOMINION UNIVERSITY INTERNAL AUDIT DEPARTMENT
Audit of the College of Education
FY 2017

AUDIT SUMMARY

Responsible Dean: Jane Bray, Dean of the College of Education **Responsible Vice President:** Austin Agho, Provost & Vice President for Academic Affairs	**Auditors:** Lauren Eady, Senior Auditor Glenn Wilson, IT Audit Manager **Audit Report Date:** 05/31/2018

Background

The University Auditor has completed a review of the College of Education including College owned, operated and/or contracted information technology. We performed this audit as part of the University's Board of Visitors approved annual audit plan for FY 2017, and conducted it in conformance with the International Standards for the Professional Practice of Internal Auditing as promulgated by the Institute of Internal Auditors.

The College of Education provides 13 bachelor's degree programs and 60 graduate programs and certificates. The College maintains a Children's Learning and Research Center that focuses on early care and education of children and serves as a training facility for students. The College also includes a Speech and Hearing Clinic that provides diagnostic and speech therapy services for children and adults. The total FY 2018 budget for the College is approximately $25,782,116, which includes general funds, grant funds and gift funds.

Although the College primarily relies on centrally managed information technology services, it owns and administers two systems classified as sensitive due to data confidentiality, integrity and availability requirements. CORS video is a multi-room, distributed network based digital system for observing, recording and playback of student-patient sessions within the Speech and Hearing Clinic and Department of Counseling & Human Services. Childcare Manager is a client-database server application that supports business and academic administrative functions of the Children's Learning and Research Center.

Scope and Objectives

The objectives of the audit were to:

1. Determine whether information technology systems owned, operated or contracted for by the College of Education are (a) appropriately controlled to ensure that data integrity is maintained, availability meets business requirements, access is authorized, appropriate, and secured; (b) managed in accordance with applicable standards and regulatory compliance with regard to the nature and sensitivity of the underlying information;

2. Provide management with an independent assessment of the design of internal controls and operations of the College, and determine whether (a) adequate internal controls and operating procedures exist; (b) the College of Education complies with State and University policies, procedures and guidelines; (c) the College is operating efficiently and effectively; and (d) financial transactions are appropriate and monitored.

The audit included reviewing fixed assets, budget monitoring, expenses, faculty workload, leave management and revenue received. The audit also included a detailed review of operations of the Children's Learning and Research Center and the Speech and Hearing Clinic.

The period reviewed was fiscal years 2015 through to date 2018.

The information technology portion of the audit focused on identification and testing of primary cybersecurity controls in effect over sensitive systems meeting the objective criteria of those owned, operated or contracted for by the College.

Overall Risk Exposure[1]			Audit Conclusion: System of Internal Controls		
☐ Low	☐ Moderate	☒ **High**	☐ Strong	☒ **Adequate**	☐ Need for Improvement

[1] Risk exposure is based on the inherent risk of the audited area and not the results or conclusions of the audit.

OLD DOMINION UNIVERSITY INTERNAL AUDIT DEPARTMENT
Audit of the College of Education
FY 2017

Summary of Audit Findings by Area (Type)

College of Education (Business and Finance)

- There were issues with missing bank statements, missing reconciliations and unsigned reconciliations of the purchase cards (PCARD) used by College of Education employees.
- The College of Education's process for ensuring control over fixed assets is not sufficient and does not meet all of the required procedures for proper fixed asset control as set forth in University Policy (#3400) and Office of Finance Procedure (#3-800).

College of Education Special Purpose Entities* (Business and Finance)

- The rates charged by several College of Education special purpose entities do not match the rates approved and published in the University's Schedule of Tuition, Fees, and Service Charges.
- Documentation is not always maintained to explain why individuals in the waiting pool have been passed over for positions at the Children's Learning and Research Center (CLRC).
- The Children's Learning and Research Center does not have policies or procedures for enforcing payment of late fees and collecting on overdue accounts.

College of Education Special Purpose Entities* (Information Technology)

- The Childcare Manager system is configured to permit all access through a common account with full administrative rights to the application.
- The frequency of CORS Video system scans and updates for significant vulnerabilities is not consistent with the University's information security program and internal standards.
- Sensitive files are extracted from the CORS Video system to removable media for offsite use without electronic or established physical protections.
- There are workstations configured to access the CORS Video system that are assigned to the University's public network address space.
- Business continuity planning and data backup provision for the CORS Video system do not ensure achievement of recovery objectives established by the system and data owner.
- The system risk assessments for the Childcare Manager and CORS Video systems need revisions for accuracy and completeness.
- A process for managing record retention has not been established for the CORS Video and Childcare Manager systems.

We thank the College of Education, Child Development Learning and Research Center and the Speech and Hearing Clinic for their extensive cooperation and assistance throughout the entire audit process. In our opinion, the proposed action plans adequately address the risks and concerns raised.

* Special purposes entities include the Children's Learning and Research Center, the Speech and Hearing Clinic, the Department of Counseling and Human Services, and the Wellness Institute in the Human Movement Sciences Department.

OLD DOMINION
UNIVERSITY

Activity and Status of Audit Issues since November 2017

Office of the University Auditor
June 4, 2018

Activity and Status of Audit Issues Since November 2017

The Office of the University Auditor follows up with management as to the status of previously recommended corrective actions related to issues identified in previous audit reports. In accordance with the Statement of Policies of the Office of the University Auditor, which was approved by the Board of Visitors, the Internal Audit Director is responsible for ensuring that individual departments have taken appropriate actions to correct internal control weaknesses, which were reported at the conclusion of the internal audit.

For purposes of the follow-up, interviews with appropriate departmental personnel were conducted to obtain updates on the corrective actions outlined by management responses to the original audit report. In order to confirm corrective action, examination of documentation and appropriate audit testing was also conducted. The following scale was used to rate management's actions for the degree to which they address the audit point and affect correction.

Status Rating	Criteria
Complete	Actions taken completely address the concerns cited in the audit point and recommendations made or were rectified to the extent reasonably possible.
In Progress	Corrective action is actively taking place; some aspects may be complete; however additional steps need to be completed to rectify all of the main concerns of the original issue.
Planned	An action plan has been decided upon, but has not yet commenced or only minimally begun.

Summary of Activity

There were twenty-five open audit issues in the November 2017 status report, of which nine are now complete. Since 11/17/2017, there were forty new issues reported, of which six are now complete. The Office of the University Auditor is actively tracking the fifty remaining issues. The status of new and previously reported issues are presented by engagement title, executive area and report date in the tables that follow.

Activity and Status of Audit Issues Since November 2017

Issue Status by Engagement

Engagement Title	Report Date	# of Issues Closed Since 11/17/17	# of Issues Remaining as of 6/01/18
International Student and Scholar Services	5/17/12	0	1
Foundation Relationships/Transactions	5/24/13	0	1
Monarch Physical Therapy	5/29/15	0	2
FY2015 Banner Key Controls	9/23/15	0	1
Revenue Contracts	10/30/15	1	0
Campus Network	1/25/16	1	0
Sensitive Data IT Compliance	3/25/16	1	0
Virginia Modeling and Simulation Center (VMASC)	3/07/16	0	1
Strategic Communication and Marketing	5/06/16	1	0
NCAA Compliance: Recruitment, Title IX, Academic Advising	8/22/16	0	1
Third Party Hosted Systems	9/19/16	0	3
Distance Learning	11/23/16	1	3
Cognos/Insight (Operational Data Store)	3/03/17	2	0
College of Engineering and Technology	3/08/17	0	2
SoBran Facility Operations	4/06/17	1	0
Confucius Institute - 2015	4/15/17	0	3
Facilities Management	8/01/17	1	1
Communications and Theatre Arts	10/04/17	0	5
Office of the President - 2017	11/08/17	1	0
Accounts Receivable	11/13/17	2	1
Banner Document Management System	11/27/17	1	1
Dental Hygiene Care Facility	3/21/18	1	8
Institutional Equity and Diversity	3/22/18	0	8*
Research Center for Bioelectrics	3/30/18	1	5
NCAA Compliance-Eligibility	4/16/18	0	3*

* Actions not yet due.

Activity and Status of Audit Issues Since November 2017

Summary Status by Executive Area

Audit Engagement Title	Report Date	# of Issues Closed since 11/17/17	# of Issues Open as of 6/01/2018
Academic Affairs			
International Student and Scholar Services	5/17/12	0	1
Monarch Physical Therapy	5/29/15	0	2
Distance Learning	11/23/16	1	3
Third Party Hosted Systems	9/19/16	0	1
College of Engineering and Technology	3/08/17	0	2
Confucius Institute	4/15/17	0	3
Communication and Theatre Arts	10/04/17	0	5
Dental Hygiene Care Facility	3/21/18	1	8
Administration and Finance			
Foundation Relationships/Transactions	5/24/13	0	1
FY2015 Banner Key Controls	9/23/15	0	1
Revenue Contracts	10/30/15	1	0
Campus Network	1/25/16	1	0
Sensitive Data IT Compliance	3/25/16	1	0
Third Party Hosted Systems	9/19/16	0	1
Cognos/Insight (Operational Data Store)	3/03/17	2	0
Facilities Management	8/01/17	1	1
Accounts Receivable	11/13/17	2	1
Banner Document Management System	11/27/17	1	1
Office of the President			
Office of the President - 2017	11/18/17	1	0
Institutional Equity and Diversity	3/22/18	0	8*
Athletics			
NCAA Compliance: Recruitment, Title IX, and Academic Advising	8/22/16	0	1
NCAA Eligibility	4/16/18	0	3*
Human Resources			
Third Party Hosted Systems	9/19/16	0	1
Research			
Virginia Modeling and Simulation Center	3/07/16	0	1
SoBran Facility Operations	4/06/17	1	0
Research Center for Bioelectrics	3/30/18	1	5
Student Engagement and Enrollment Services			
Strategic Communications and Marketing	5/06/16	1	0

* Actions not yet due.

Activity and Status of Audit Issues Since November 2017

Action Plan Status by Report Date

Area	Audit Title	Audit Finding	Category	Report Date	Original Due Date	Status
Academic Affairs	International Student and Scholar Services	Improve Essential Processes	Process	5/17/12	9/15/12	In Progress
Administration and Finance	Foundation Relationships/Transactions	Updated or Formal Written Agreements with ODURF	Legal	5/24/13	None	In Progress
Academic Affairs	Monarch Physical Therapy	Need to Enhance Budget Monitoring and Analysis Activities	Financial	5/29/15	6/30/15	In Progress
		Implement Additional Financial Controls	Financial	5/29/15	6/30/15	In Progress
Administration and Finance	FY2015 Banner Key Controls	Audit of Access Roles	Info. Tech.	9/23/15	Fall 2018	In Progress
Administration and Finance	Revenue Contracts	Auxiliary Services Need to Improve Monitoring of Revenue Contracts	Financial	10/30/15	8/31/16	Complete
Administration and Finance	Campus Network	Internal Device Vulnerability Management	Info. Tech.	1/25/16	12/2016	Complete
Administration and Finance	Sensitive Data IT Compliance	Hosted Systems Contractual Compliance Requirements	Info. Tech.	3/25/16	3/31/17	Complete
Research	Virginia Modeling and Simulation Center (VMASC)	Need to Enhance Reconciliation Controls and Documentation	Financial	3/07/16	7/31/16	In Progress
Student Engagement & Enrollment Services	Strategic Communication and Marketing	Access Controls for the Web Content Management System	Info. Tech.	5/06/16	9/30/16	Complete
Athletics	NCAA Compliance: Recruitment, Title IX, and Academic Advising	Enhance Compliance Efforts for Title IX & Academic Advising	Compliance	8/22/16	9/30/17	In Progress
Administration and Finance	Third Party Hosted Systems	Hobsons System Related Issues	Info. Tech.	9/19/16	7/30/17	In Progress
Human Resources	Third Party Hosted Systems	PAPERS System Related Issues	Info. Tech.	9/19/16	8/01/17	In Progress
Academic Affairs	Third Party Hosted Systems	WebPT and Kareo System Related Issues	Info. Tech.	9/19/16	11/30/16	In Progress
Academic Affairs	Distance Learning	Need to Adhere to Asset Policies and Procedures	Asset Control	11/23/16	6/30/17	In Progress
		Distance Learning Fee Schedule Does Not Align With University Tuition and Fee Schedule	Financial	11/23/16	11/30/16	Complete

Activity and Status of Audit Issues Since November 2017

Area	Audit Title	Audit Finding	Category	Report Date	Original Due Date	Status
		Web Accessibility Compliance	Compliance	11/23/16	1/31/17	In Progress
		IT Governance and Risk Management	Info. Tech.	11/23/16	6/01/17	In Progress
Administration and Finance	Cognos/Insight (Operational Data Store)	Electronic Access Controls	Info. Tech.	3/03/17	6/30/17	Complete
		Account Management and Data Access Procedures	Info. Tech.	3/03/17	1/31/18	Complete
Academic Affairs	College of Engineering and Technology	Lack of Financial Controls and Transaction Documentation	Financial	3/08/17	10/01/17	In Progress
		College Managed Room Access	Security	3/08/17	10/01/17	Planned
Research	SoBran Facility Operations	Delineation of Responsibilities	Process	4/06/17	7/01/17	Complete
Academic Affairs	Confucius Institute	Reconciliation	Financial	4/15/17	3/31/18	Planned
		Financial Matters	Financial	4/15/17	3/31/18	In Progress
		Agreement	Financial	4/15/17	3/31/18	Planned
Administration and Finance	Facilities Management	Issues with Small Purchase Charge Card Usage and Reconciliation	Financial	8/01/17	6/30/17	Complete
		Key Collection Process is Insufficient	Security	8/01/17	9/30/17	In Progress
Academic Affairs	Communications and Theatre Arts	Budget Reconciliations	Financial	10/4/17	2/1/18	In Progress
		General Expenses	Financial	10/4/17	12/1/17	In Progress
		Small Purchase Charge Card	Financial	10/4/17	10/15/17	In Progress
		Travel	Financial	10/4/17	10/15/17	In Progress
		Asset Tracking	Compliance	10/4/17	12/11/17	In Progress
President	President's Office - 2017	Small Purchase Charge Card Reconciliation	Financial	11/8/17	11/1/17	Complete
Administration and Finance	Accounts Receivable: Cashiering, Student Billing, and Touchnet	Touchnet User Account Management Controls	Info Tech	11/13/17	3/01/18	In Progress
		E-Commerce Controls	Info Tech	11/13/17	1/30/18	Complete
		Visa Core Rules Compliance for Refunds	Compliance	11/13/17	11/13/17	Complete
Administration and Finance	Banner Document Management	Privileged User Access	Info Tech	11/27/17	1/31/18	Complete
		Document Imaging Standards	Info Tech	11/27/17	1/31/18	In Progress
Academic Affairs	Dental Hygiene Care Facility	Fee Schedule	Compliance	3/21/18	3/9/18	Planned
		Revenues	Financial	3/21/18	3/30/18	In Progress
		Voucher Payments	Financial	3/21/18	3/12/18	In Progress
		Billing and Account Write-Offs	Financial	3/21/18	3/12/18	In Progress
		Receiving and Transmitting Funds	Financial	3/21/18	2/28/18	In Progress
		Daily Deposits	Financial	3/21/18	3/12/18	Planned

Activity and Status of Audit Issues Since November 2017

Area	Audit Title	Audit Finding	Category	Report Date	Original Due Date	Status
		Records Management	Compliance	3/21/18	3/12/18	Complete
		User Account Management	Info Tech	3/21/18	4/06/18	Planned
		Data Integrity for Applications	Info Tech	3/21/18	3/30/18	Planned
President	Institutional Equity and Diversity	Title IX Training for Students	Compliance	3/22/18	7/1/18	Planned
		University Discrimination Policy	Compliance	3/22/18	9/13/18	Planned
		Distribution of Statement of Non-Discrimination	Compliance	3/22/18	8/1/18	Planned
		PeopleFluent System	Info Tech	3/22/18	6/15/18	Planned
		Purchase Card Reconciliations and Documentation	Financial	3/22/18	3/1/18	Planned
		Record Retention Needs to be Addressed	Compliance	3/22/18	5/15/18	In Progress
		Position Descriptions Need to be Updated	Compliance	3/22/18	6/1/18	Planned
		Establish Formal Conflict of Interest Guidance and Practices	Compliance	3/22/18	10/1/18	Planned
Research	Research Center for Bioelectrics	Financial Account Monitoring	Financial	3/30/18	12/31/17	In Progress
		Compliance with Human Resource Related Policies	Compliance	3/30/18	3/31/18	In Progress
		Compliance with SPCC Documentation Requirements	Compliance	3/30/18	1/30/18	In Progress
		Adherence to Asset Policies and Procedures	Compliance	3/30/18	3/31/18	In Progress
		Emergency Management Plans	Compliance	3/30/18	3/31/18	In Progress
		Adhere to Travel Procedures	Compliance	3/30/18	1/30/18	Complete
President	NCAA Eligibility	Records Management	Compliance	4/16/18	1/15/19	Planned
		Strengthen Practices	Compliance	4/16/18	1/15/19	Planned
		Evidence of Approval for Eligibility Policy and Procedures	Compliance	4/16/18	8/01/18	Planned