M E M O R A N D U M

TO: Board of Visitors Audit and Compliance Committee

Jerri F. Dickseski, Chair
Jay Harris, Vice Chair
Kay A. Kemper *(ex-officio)*
R. Bruce Bradley *(ex-officio)*
Robert S. Corn
Unwanna B. Dabney
Lisa B. Smith

FROM: Amanda Skaggs
Chief Audit Executive

DATE: April 12, 2021

SUBJECT: Meeting of the Committee, April 22, 2021

The Board of Visitors Audit and Compliance Committee will meet on Thursday, April 22, 2021, at 8:00 a.m. via Zoom. Enclosed for your review are the agenda and supporting documents.

AGENDA

I. Approval of Minutes – The Committee will consider a motion to approve the minutes of the Audit and Compliance Committee meeting held on December 10, 2020.

II. University Records Management Briefing – Mark Walsh, University Records Manager/ Assistant Director for Records & IT Policy

III. Report from the Chief Audit Executive – Amanda Skaggs

A. Active Audit Projects
1. Police Department (Operational)
2. Closeout Procedures for the Confucius Institute
3. College of Business
4. Payroll Benefits
5. Facilities Events and Equipment and Tennis Center

6. Enterprise Service Bus
7. Office of Visa and Immigration Service Advising
8. Special Projects and Other Activities

B. Presentation of Completed Audit Reports

1. Academic Affairs Audit
2. Information Technology Services Operational Audit
3. Status of Open Audit Issues

IV. Closed Session

V. Reconvene in Open Session and FOIA Certification

UNIVERSITY AUDIT DEPARTMENT OF OLD DOMINION UNIVERSITY
Audit of Academic Affairs FY 2021

AUDIT SUMMARY

Department Heads: Nina Gonser, Interim Associate Vice President for Academic Affairs (AVPAA); Katherine Hawkins, Vice Provost for Faculty Affairs & Strategic Initiatives; Brian Payne, Vice Provost for Academic Affairs **Responsible Vice President:** Austin Agho, Provost and Vice President for Academic Affairs	**Auditor:** Nina Preston, Senior Auditor **Chief Audit Executive:** Amanda Skaggs **Audit Report Date:** 3/17/2021

Background

Academic Affairs (AA) is a division within Old Dominion University responsible for the quality of the institution's degree programs, faculty development programs, the delivery of distance learning programs, development of institutional effectiveness and assessment data, management of faculty and academic support staff, oversight of the University Libraries, and implementation and management of programs that enhance student success. The focus of this audit was the AA Administration unit, which is staffed by 6 full-time employees responsible for the financial and management services in areas of budgeting, resource allocation, full-time faculty position control, adjunct faculty and graduate student payroll administration, faculty appointment letters, workload analysis, and review and approval of administrative agreements. There are 26 active budget accounts under the AA Administration unit's purview with total expenditures in FY2019 of $11,053,194.

Scope and Objectives

The objective of the audit was to provide management with an independent assessment of the design of internal controls and operations of Academic Affairs and determine whether (a) adequate internal controls and operating procedures exist; (b) the department complies with State and University policies, procedures and guidelines; (c) the department is operating efficiently and effectively; and (d) financial transactions are appropriate and monitored. The period of review was FY2017-20, with emphasis on FY2019 and FY2020.

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 of the audit.

Issues	Planned Corrective Action
I-9s were not consistently processed and retained for adjunct faculty. Background checks were not properly conducted.	I-9s and background checks will be monitored for all employee classifications. New offer letter includes the condition for background checks. Policy 6021's applicability to emergency hires is under review.
There is insufficient control in place for the review and approval of the overload payments.	AA is working with system's vendor to evaluate approval workflow and to enhance source report. Support documents are now required for overload requests. Pay structure is under review.
Access to Banner Faculty Self-Service is not managed to internal standards.	AA will work with HR and Registrar annually to decommission expired accounts. Separation Workflow is under review to determine inclusion of all employee classifications.
There is no mechanism for tracking compliance training and policy acknowledgement forms for full-time faculty and adjunct faculty new hires.	Interim AVPAA will establish a tracking mechanism that will be managed by the Academic Services Analyst.
AA does not have emergency management plans in place, as required by University Policy.	Interim AVPAA will work with Emergency Management to create an EAP and COOP for the AA Administration unit.
No formal reconciliations were performed for the 26 budget accounts under AA, which may have contributed to account deficits at year end.	AA Administration Unit deployed a standardized reconciliation for use by all units. Units were trained on the new process. Reconciliation of all accounts occurred in July 2020. Random audits in Fall will be performed for compliance with new reconciliation process.
Timesheets for employees were not consistently approved.	AA emphasized to the staff the importance of reviewing and approving employee timesheets at a staff meeting and at the Executive Team meeting.
While the unit has identified a Records Coordinator, inventory of all record types and their retention schedule within AA has not been created.	Interim AVPAA coordinated with University Records Manager to discuss records management and created a three-step plan, which consists of inventory, file directory structure, and Records Management Manual.
Fixed Asset processes do not consistently conform to University requirements.	Data Analyst is temporarily assigned as the Fixed Asset Coordinator until the Business Manager position is filled, whom will be responsible for training, monitoring of assets, and reporting changes to Accounting.
There is no centralized monitoring for performance evaluations for full-time faculty and adjunct faculty.	Performance evaluation monitoring will be the responsibility of the Colleges. An annual audit on a sample basis will be performed by the Academic Affairs.
There are no written goals or objectives for the unit, as part of the University's commitment to institutional effectiveness and continuous improvement.	Academic Leadership Team (Vice Provosts, Associate and Assistant VPs, Deans) will play a direct role in this process and will ensure compliance with evaluating progress annually.

UNIVERSITY AUDIT DEPARTMENT OF OLD DOMINION UNIVERSITY
Audit of Information Technology Services (ITS)

AUDIT SUMMARY

Department Head: Rusty Waterfield, Associate Vice President for University Services and Chief Information Officer **Responsible Vice President:** Greg Dubois, VP for Administration and Finance	**Auditor:** Natalie MacCall, Senior Auditor **Chief Audit Executive:** Amanda Skaggs **Audit Report Date:** 04/09/2021

Background

Information Technology Services (ITS) offers faculty, staff, and students a wide range of technology services and support. Their mission is to provide high-quality cost-effective computing and communications services that meet the needs of the University community. To accomplish this the department employs approximately 150 employees and manages 15 department budget accounts with annual expenditures of approximately $23,000,000.

Scope and Objectives

The general objective of the audit was to provide an independent assessment of the design of internal controls and operations of the department with a focus on FY2019. Processes specifically reviewed include project management, records management, departmental billing, financial management, help desk services, contract administration and state compliance to determine whether:

- Adequate internal controls and operating procedures exist
- The department is in compliance with State and University policies, procedures and guidelines
- The department is operating efficiently and effectively
- Financial transactions are appropriate and monitored

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.

Issue	Planned Corrective Action
Sufficient controls over door access were not observed to be in place as it relates to authorizing door owners, keeping the listing of door owners current and terminating access.	The Vice President for Administration and Finance has initiated a group led by Facilities Management to combine hard key and electronic access into a single process with defined practices and procedures for maintaining defined roles for approvals, removal of access, and audits of access. While this work is underway, ITS will draft a list of employees with authority to approve (Door Owners) for VP approval. ITS will provide all Door Owners with reports of who has access to each door. Door Owners will audit door access, and CS Gold will be updated accordingly. ITS will log and retain door access data (user, door, approver, date), which will be used for recurring door access audits.
Additional departmental records management activities are needed to include creating an inventory of all records, finalizing the departmental records manual, and developing a file directory structure.	ITS has a project under way in advance of a University-wide informal Records Management assessment, to include creating an inventory of records, finalizing a draft records manual, and implementing file directory structure for identified managed records.
Elements of the required Emergency Management plans are in effect, but additional planning and documentation is needed to ensure coverage of all required elements.	Documents will be completed and provided to Emergency Management Office, and shared with department personnel.
Leave and time entries for employees in this department were not consistently approved during calendar year 2020.	ITS has added calendar entries and is utilizing mid-morning push notifications using Microsoft Teams to improve consistency of submitting and approving WTE.
Some of the rates charged by ITS have not been approved through the University's Schedule of Tuition, Fees, and Service Charges (the Schedule), some published rates are incorrectly stated in the Schedule and some published rates are not actually charged to departments.	ITS has contacted the University Budget Office to update the rates. ITS is not sure why the color print and repair service rates were not accurate.

OLD DOMINION UNIVERSITY

Activity and Status of Audit Issues Since November 2020

University Audit Department
April 8, 2021

Activity and Status of Audit Issues Since November 2020

The University Audit Department 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 University Audit Department, which was approved by the Board of Visitors, the Chief Audit Executive is responsible for ensuring that individual departments have taken appropriate actions to correct internal control weaknesses and matters of compliance, which were reported at the conclusion of the audit engagements.

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.

Status Rating	Criteria
Complete	Actions taken completely address the concerns cited in the audit point 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 taken to address all 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 24 open action items in the November 2020 report, of which 5 are now complete. Since the last report, 26 new action items have been added, 3 of which are complete. The University Audit Department is actively tracking the remaining 42 open action items.

The status of new and previously reported issues is presented by engagement title, executive area, and report date in the tables that follow.

Activity and Status of Audit Issues Since November 2020

Issue Status by Engagement

Engagement Title	Report Date	# of Issues Closed Since 11/24/2020	# of Issues Open as of 04/08/2021
NCAA Compliance: Recruitment, Title IX, Academic Advising	8/22/16	0	1
College of Engineering and Technology	3/08/17	0	1
Institutional Equity and Diversity	3/22/18	1	0
Office of the University Registrar	3/15/19	2	1
Institutional Equity and Diversity – Training	3/27/19	1	0
Department of Human Resources	4/02/19	0	1
Police Department Fiscal Activities Engagement FY19	1/06/20	0	2
Board Governance	6/04/20	1	4
Office of Research Information Technology	6/05/20	0	1
NCAA Compliance: Financial Aid	8/27/20	0	1
Active Directory	8/27/20	0	2
Academic Affairs Interim Report	8/28/20	0	5
Design and Capital Construction	11/25/20	0	5
Police Department Fiscal Activities Engagement FY20	11/25/20	1	1
Police Department Information Technology	11/30/20	1	7
Office of Research (Operational/Financial)	11/30/20	1	10

Activity and Status of Audit Issues Since November 2020

Summary Status by Executive Area

Audit Engagement Title	Report Date	# of Issues Closed since 11/24/2020	# of Issues Open as of 4/08/2021
Academic Affairs			
College of Engineering and Technology	3/08/17	0	1
Academic Affairs Interim Report	8/28/20	0	5
Administration and Finance			
Police Department Fiscal Activities Engagement FY19	1/06/20	0	2
Active Directory	8/27/20	0	2
Design and Capital Construction	11/25/20	0	5
Police Department Fiscal Activities Engagement FY20	11/25/20	1	1
Police Department Information Technology	11/30/20	1	7
Athletics			
NCAA Compliance: Recruitment, Title IX, and Academic Advising	8/22/16	0	1
NCAA Compliance: Financial Aid*	8/27/20	0	1
Human Resources			
Institutional Equity and Diversity	3/22/18	1	0
Institutional Equity and Diversity – Training	3/27/19	1	0
Department of Human Resources	4/02/19	0	1
Student Engagement and Enrollment Services*			
Office of the University Registrar	3/15/19	2	1
Research			
Office of Research Information Technology	6/05/20	0	1
Office of Research (Operational/Financial)	11/30/20	1	10
Board of Visitors			
Board Governance	6/04/20	1	4

* For the open action plan for Reduction, Cancellation and Renewal Letters under the NCAA Compliance: Financial Aid engagement, the Office of Student Financial Aid as part of Student Engagement and Enrollment Services has responsibility for completion.

Activity and Status of Audit Issues Since November 2020

Action Plan Status by Report Date

Executive Area	Audit Title	Audit Observation	Category	Report Date	Original Due Date	Status
Athletics	NCAA Compliance: Recruitment, Title IX, and Academic Advising	Enhance Compliance Efforts for Title IX Gender Equity in Athletics	Compliance	8/22/16	9/30/17	In Progress
Academic Affairs	College of Engineering and Technology	College Managed Room Access	Security	3/08/17	10/01/17	In Progress
Human Resources	Institutional Equity and Diversity	University Discrimination Policy	Compliance	3/22/18	9/13/18	Complete
Student Engagement and Enrollment Services	Office of the University Registrar	Support for Domicile Decisions	Compliance	3/15/19	9/01/19	Complete
		Veterans Affairs Reporting	Compliance	3/15/19	9/30/19	Complete
		Graduate Degree Certification and Exception Granting Process	Control	3/15/19	9/01/19	In Progress
Human Resources	Institutional Equity and Diversity – Training	Sexual Harassment Training	Compliance	3/25/19	8/15/19	Complete
Human Resources	Department of Human Resources	Records Management	Compliance	4/02/19	3/15/19	In Progress
Administration and Finance	Police Department Fiscal Activities Engagement FY19	Leave and Hours Worked	Financial Control	1/06/20	3/01/20	In Progress
		Fixed Assets	Control	1/06/20	3/01/20	In Progress
Board of Visitors	Board Governance	Bylaw and Board Manual Review Cycle	Governance	6/04/20	12/31/21	In Progress
		Board Self-Evaluations	Governance	6/04/20	4/30/21	In Progress
		Closed Session Meeting Activities	Compliance	6/04/20	4/30/21	In Progress
		Presence of Counsel at Open and Closed Meetings	Compliance	6/04/20	4/30/21	In Progress
		Board of Visitors Budget	Compliance	6/04/20	4/30/21	Complete
Research	Office of Research Information Technology	Hosted Technology Services Risk Management	Info Tech	6/05/20	9/30/20	Planned
Athletics	NCAA Compliance: Financial Aid	Reduction, Cancellation and Renewal Letters*	Compliance	8/27/20	5/07/21	In Progress
Administration and Finance	Active Directory	Monitoring of SE and WLAN Domains	Control	8/27/20	2/28/21	Planned
		Auditing of Privileged Accounts	Control	8/27/20	8/31/21	Planned

Activity and Status of Audit Issues Since November 2020

Executive Area	Audit Title	Audit Observation	Category	Report Date	Original Due Date	Status
Academic Affairs	Academic Affairs Interim Report	Budget Management	Control	8/28/20	10/30/20	Planned
		Fixed Assets	Control	8/28/20	11/30/20	Planned
		Compliance Training	Compliance	8/28/20	1/30/21	In Progress
		Goal Setting and Assessment	Effectiveness	8/28/20	8/30/21	Planned
		Performance Evaluation Monitoring	Control	8/28/20	1/30/21	Planned
Administration and Finance	Design and Capital Construction	Overhead Expense Allocation	Control	11/25/20	6/30/21	Planned
		Budget Reconciliation Process	Control	11/25/20	6/30/21	Planned
		Non-capital Construction Planning Process	Control	11/25/20	6/30/21	Planned
		Record Management	Compliance	11/25/20	6/30/21	Planned
		Emergency Management Plans	Compliance	11/25/20	1/31/21	In Progress
Administration and Finance	Police Department Fiscal Activities Engagement FY20	Budget Management	Control	11/25/20	1/25/21	Complete
		Leave and Hours Worked and WTE Approvals	Control	11/25/20	6/30/21	In Progress
Administration and Finance	Police Department Information Technology	E911 Room Number Compliance	Compliance	11/30/20	2/01/21	Complete
		System Life Cycle	Info Security	11/30/20	11/01/21	Planned
		Configuration and Vulnerability Management	Info Security	11/30/20	11/01/21	Planned
		Criminal Justice Information Services Security Policy Compliance	Compliance	11/30/20	11/01/21	Planned
		Business Continuity/Disaster Recovery	Operational	11/30/20	11/01/21	Planned
		System Risk Assessments	Compliance	11/30/20	11/01/21	Planned
		User Account Access Reviews	Info Security	11/30/20	11/01/21	Planned
		Electronic Record Retention	Compliance	11/30/20	11/01/21	Planned
Research	Office of Research (Operational/Financial)	Intellectual Property	Compliance and Control	11/30/20	6/01/21	In Progress
		Research Conflicts of Interests Management	Compliance and Control	11/30/20	1/31/21	In Progress
		Training for Researchers	Compliance	11/30/20	12/23/20	Complete
		Emergency Management Plans	Compliance	11/30/20	12/15/20	In Progress

Activity and Status of Audit Issues Since November 2020

Executive Area	Audit Title	Audit Observation	Category	Report Date	Original Due Date	Status
		Scope for University Research Policies	Compliance and Control	11/30/20	7/31/21	Planned
		Budget Management	Control	11/30/20	12/15/20	In Progress
		Lease Arrangements	Compliance and Control	11/30/20	3/31/21	In Progress
		Institute for Innovation and Entrepreneurship	Effectiveness	11/30/20	6/30/21	Planned
		Records Management	Compliance	11/30/20	3/31/21	In Progress
		Research Center Evaluations	Compliance and Control	11/30/20	12/31/20 to 1/31/23	Planned
		Timesheet Approvals	Compliance and Control	11/30/20	11/30/20	In Progress