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
R. Bruce Bradley *(ex-officio)*
Toykea S. Jones *(ex-officio)*
Robert S. Corn
Unwanna B. Dabney
Lisa B. Smith

FROM: Amanda Skaggs, Chief Audit Executive

DATE: May 25, 2022

SUBJECT: Meeting of the Committee, June 2, 2022

The Board of Visitors Audit and Compliance Committee will meet on Thursday, June 2, 2022 at 1:30 p.m. in the Board Room of the Kate and John R. Broderick Dining Commons. Enclosed for your review are the agenda and supporting documents.

AGENDA

A. Approval of Minutes – The Committee will consider a motion to approve the minutes of the Audit and Compliance Committee meeting held on April 21, 2021.

B. Report from the Auditor of Public Accounts Regarding the FY2021 Financial Statement Audit – LaToya Jordan, Deputy Auditor for Human Capital and Operations and Megan Bridgewater, Audit Supervisor

C. Closed Session – Convene in closed session to discuss the performance of specific departments where such evaluation will necessarily involve discussion of the performance of specific individuals and to discuss the evaluation of the Chief Audit Executive as permitted by the Code of Virginia Section 2.2-3711 (A)(1).

D. Reconvene in Open Session and FOIA Certification

E. Report from the Chief Audit Executive – Amanda Skaggs

1. Position Authorization

2. Presentation of Completed Audit Reports
   a. Payroll Benefits
   b. Closeout Procedures for the Confucius Institute
   c. Banner Workflows

d. Activity and Status of Open Audit Issues Since April 2022

3. Annual Risk Assessment Process

4. FY2022 Audit Plan Status including open audit projects
   a. University Libraries
   b. Athletic Business Office
   c. College of Sciences
   d. Desktop Management
   e. Housing and Residence Life
   f. Cybersecurity: Intrusion Detection and Incident Response
   g. Special Projects and Other Activities

5. Proposed FY2023 Audit Plan

F. Adjourn

UNIVERSITY AUDIT DEPARTMENT OF OLD DOMINION UNIVERSITY
Audit of Payroll Benefits

AUDIT SUMMARY

Department Heads: Gloria Boone, Payroll Manager, Office of Finance Mary Deneen, Assistant VP for Finance/University Controller **Responsible Vice President:** Chad A. Reed, Vice President for Administration & Finance	**Auditor:** Lauren Eady, Senior Auditor **Chief Audit Executive:** Amanda Skaggs **Audit Report Date:** 5/20/2022

Background

The mission of the Payroll Office is to ensure that all employees of the University are paid timely and accurately while maintaining compliance with federal, state, and University regulations and policies. There are four employees that support the Payroll Benefits processes directly. Payroll Benefits serves the University by ensuring employees are enrolled in their chosen benefit programs and that information and proper payments are provided to benefit vendors both on and off campus. Examples of current benefit programs include health care, life insurance, parking and retirement contributions. For the March 31, 2022 payroll date, ODU transmitted $5.9 million dollars to benefit vendors including those outside the University, on campus vendors, the ODU Research Foundation and the ODU Intercollegiate Foundation. This includes both employee and employer deduction amounts for all full time employees paid semi-monthly.

Scope and Objectives

The general objective of the audit is to provide management with an independent assessment of the design of internal controls and operations of the payroll benefits processes and to determine whether:

1. Internal controls and operating procedures exist;
2. The department is in compliance with applicable policies, procedures and guidelines; and
3. The department is operating efficiently and effectively.

Key processes reviewed included entering deductions, reconciling amounts paid to vendors, working with on campus vendors, complying with Commonwealth of Virginia requirements, and access and security of benefit data transmissions. The audit methodologies primarily included examining internal procedures, reports, and other documents, performing transactional analysis on a sample basis and conducting interviews. The period reviewed was fiscal years 2021 and 2022 to date.

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.

Audit Issues: None

UNIVERSITY AUDIT DEPARTMENT OF OLD DOMINION UNIVERSITY
Closeout Procedures Summary for the Confucius Institute

Background and Executive Summary

Confucius Institute Headquarters/Hanban is affiliated with the Chinese Ministry of Education. Its mission is to provide Chinese language and cultural teaching resources and services worldwide. Beginning in 2015, Hanban requested regular audits of ODU's Confucius Institute (CI) and the University responded and agreed to audit the Confucius Institute. The previous Agreed Upon Procedures engagements performed by the University Audit Department included calendar years 2015 through 2017.

ODU's Confucius Institute effectively closed in June of 2020. This engagement's purpose was to determine if all close-out procedures were performed. While there was a significant delay in performing all of the required procedures, the audit team was able to obtain the documentation necessary to affirm that all close-out procedures have occurred as of May 2022.

Scope and Objectives

The main purpose of this engagement was to conduct specific agreed upon procedures related to ODU's Confucius Institute as outlined in the Agreed Upon Procedures document. Based on Hanban's letter to the University dated March 16, 2020 that specified the required wrapping up procedures, a final engagement of the Confucius Institute was approved by the Board of Visitors for inclusion in the audit plan. A key focus of this engagement was to confirm the amount of funds due from the University to Hanban.

Overall Conclusion

We were able to obtain documentation necessary to affirm that all wrapping up procedures of the ODU Confucius Institute as detailed in the March 16, 2020 letter from Hanban have occurred as of May 2022. In addition, a final email was sent from Academic Affairs on May 19, 2022 to Weigui Sheng, Hanban representative noting that ODU has satisfactorily addressed each of the components of the wrapping up procedures.

UNIVERSITY AUDIT DEPARTMENT OF OLD DOMINION UNIVERSITY
Audit of Banner Workflows

AUDIT SUMMARY

Banner Workflow Owners: Mary Deneen, Assistant Vice President for Finance/University Controller David Kozoyed, Executive Director, Enterprise Systems, ITS Esther Dodge, HR Systems Manager Human Resources **Responsible Vice Presidents:** Chad A. Reed, Vice President for Administration & Finance September Sanderlin, Vice President for Human Resources, Diversity, Equity and Inclusion	**Auditor:** Glenn Wilson, IT Audit Manager **Chief Audit Executive:** Amanda Skaggs **Audit Report Date**: 05/25/2022

Background

Banner Workflow is an on-premises enterprise solution from Ellucian supporting development of automated business processes. Old Dominion University has developed and implemented various workflows that achieve specific objectives through logically triggered events, interactive checklists, email notifications and worklists. At the start of the audit 15 active workflows were identified and assessed for business impact. Two were selected for detailed testing: Human Resources (HR) Separation and Fixed Asset Transfer workflows.

The HR Separation workflow ensures that when an employee separates from university employment, all necessary actions are completed by supervisors and various departments. Activities include but are not limited to disabling computing privileges, removing door access, recovering keys, small purchase cards, certain expenses, and processing benefits.

The Fixed Asset Transfer workflow is utilized by department level Fixed Asset Coordinators to transfer assets between budgets and/or physical locations. Responsibility for tracking and maintaining assets falls to the respective Budget Unit Directors who have approval roles in the workflow. Asset transfer requests that receive all approvals required by the workflow's design are automatically forwarded to the Office of Finance's Fixed Asset Accountant role to record the transfer in Banner.

Scope and Objectives

The primary objective was to review in detail workflows with significant business impact for reliability of input/outputs, achievement of expected objectives and access controls in effect over Banner Workflow users. The scope included Banner workflows which were active as of June 2021.

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

[1] Risk exposure is based on the inherent risk of the Banner Workflow system and not the results or conclusions of the audit.

Issue	Planned Corrective Action
The Fixed Asset Workflow has not been maintained in a fully operational state.	Office of Finance will continue the alternate fixed asset transfer process in use for the last two years and make necessary updates to codify that change including Office of Finance policy and procedure updates and provide instruction to end users on campus.
Banner Workflow privileged accounts were not managed to internal account management standards.	Information Technology Services will: ▪ Remove access for account exception. ▪ Document the automated and manual processes for managing the Banner Workflow accounts. ▪ Conduct workflow account reviews annually.

OLD DOMINION
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Activity and Status of Audit Issues Since April 2022

University Audit Department
May 23, 2022

Activity and Status of Audit Issues Since April 2022

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 45 open action items in the April 2022 report, of which 5 are now complete. Since the last report, 17 new action items have been added of which 1 is complete. The University Audit Department is actively tracking the remaining 56 open action items.

The status of 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 April 2022

Issue Status by Engagement

Engagement Title	Report Date	# of Issues Closed Since 04/04/2022	# of Issues Open as of 05/23/2022
NCAA Compliance: Recruitment, Title IX, Academic Advising	8/22/16	0	1
College of Engineering and Technology	3/08/17	0	1
Department of Human Resources	4/02/19	1	0
Police Department Fiscal Activities Engagement FY19	1/06/20	0	1
Board Governance	6/04/20	0	1
Active Directory	8/27/20	0	1
Design and Capital Construction	11/25/20	0	3
Police Department Fiscal Activities Engagement FY20	11/25/20	0	1
Police Department Information Technology	11/30/20	0	6
Office of Research (Operational/Financial)	11/30/20	3	6
Academic Affairs*	3/17/21	0	5
Information Technology Services (ITS) Operational	4/09/21	0	2
College of Business	8/02/21	1	3
Facilities Events and Equipment	11/16/21	0	3
Enterprise Service Bus	11/19/21	0	1
Police Department – Clery Act Compliance	11/22/21	0	4
Police Department Fiscal Activities FY21	11/23/21	0	1
Owens House – Closeout Construction	11/30/21	1	0
Police Department Operations	3/15/22	0	5
Office of Visa and Immigration Service Advising	4/05/22	0	4
Tennis Center	4/07/22	0	7

*An Interim Report was issued on August 28, 2020, which contained 3 of these issues.

Activity and Status of Audit Issues Since April 2022

Summary Status by Executive Area

Audit Engagement Title	Report Date	# of Issues Closed Since 04/04/2022	# of Issues Open as of 05/23/2022
Academic Affairs			
College of Engineering and Technology	3/08/17	0	1
Academic Affairs*	3/17/21	0	5
College of Business	8/02/21	1	3
Office of Visa and Immigration Service Advising	4/07/22	0	4
Administration and Finance			
Police Department Fiscal Activities Engagement FY19	1/06/20	0	1
Active Directory	8/27/20	0	1
Design and Capital Construction	11/25/20	0	3
Police Department Fiscal Activities Engagement FY20	11/25/20	0	1
Police Department Information Technology	11/30/20	0	6
Information Technology Services	4/09/21	0	2
Enterprise Service Bus	11/19/21	0	1
Police Department - Clery Act Compliance	11/22/21	0	4
Police Department Fiscal Activities FY21	11/23/21	0	1
Owens House – Closeout Construction	11/30/21	1	0
Police Department Operations	3/15/22	0	5
Athletics			
NCAA Compliance: Recruitment, Title IX, and Academic Advising	8/22/16	0	1
Facilities Events and Equipment	11/16/21	0	3
Tennis Center	4/07/22	0	7
Human Resources			
Department of Human Resources	4/02/19	1	0
Research			
Office of Research (Operational/Financial)	11/30/20	3	6
Board of Visitors			
Board Governance	6/04/20	0	1

*An Interim Report was issued on August 28, 2020, which contained 3 of these issues.

Activity and Status of Audit Issues Since April 2022

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	Department of Human Resources	Records Management	Compliance	4/02/19	3/15/19	Complete
Administration and Finance	Police Department Fiscal Activities Engagement FY19	Leave and Hours Worked	Financial 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
Administration and Finance	Active Directory	Auditing of Privileged Accounts	Control	8/27/20	8/31/21	In Progress
Administration and Finance	Design and Capital Construction	Budget Reconciliation Process	Control	11/25/20	6/30/21	In Progress
		Non-capital Construction Planning Process	Control	11/25/20	6/30/21	In Progress
		Record Management	Compliance	11/25/20	6/30/21	In Progress
Administration and Finance	Police Department Fiscal Activities Engagement FY20	Leave and Hours Worked and WTE Approvals	Control	11/25/20	6/30/21	In Progress
Administration and Finance	Police Department Information Technology	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

Activity and Status of Audit Issues Since April 2022

Executive Area	Audit Title	Audit Observation	Category	Report Date	Original Due Date	Status
		Emergency Management Plans**	Compliance	11/30/20	12/15/20	In Progress
		Scope for University Research Policies	Compliance and Control	11/30/20	7/31/21	Complete
		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	Complete
		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	Complete
Academic Affairs	Academic Affairs	Budget Management	Control	3/17/21	10/30/20	Planned
		Compliance Training	Compliance	3/17/21	1/30/21	In Progress
		Performance Evaluation Monitoring	Control	3/17/21	1/30/21	In Progress
		Overload Payments	Control and Compliance	3/17/21	5/01/21	In Progress
		Faculty Self-Service User Account Management	IT Control	3/17/21	9/30/21	In Progress
Administration and Finance	Information Technology Services (ITS) Operations	Door Access	Control	4/09/21	12/31/21	Planned
		Emergency Management Plans	Internal Compliance	4/09/21	7/31/21	In Progress
Academic Affairs	College of Business	Budget Management	Financial Control	8/02/21	8/31/21	Complete
		Real Estate Center Revenue	Control and Internal Compliance	8/02/21	9/30/21	In Progress
		Timesheet Approvals	Control and Internal Compliance	8/02/21	8/31/21	In Progress
		Continuity of Operations Plan**	Internal Compliance	8/02/21	12/31/21	In Progress
Athletics	Facilities Events and Equipment	Apparel Inventory Management	Control and Internal Compliance	11/16/21	1/01/23	Planned
		Records Management	State and Internal Compliance	11/16/21	1/01/23	Planned
		Web-Time Entry Approvals	Control and Internal Compliance	11/16/21	2/28/22	In Progress

Activity and Status of Audit Issues Since April 2022

Executive Area	Audit Title	Audit Observation	Category	Report Date	Original Due Date	Status
Administration and Finance	Enterprise Service Bus	API Manager Developer Access	Access	11/19/21	5/31/22	In Progress
Administration and Finance	Police Department – Clery Act Compliance	Campus Security Authority Designations, Training and Reporting	Compliance	11/22/21	12/01/22	In Progress
		Accuracy of Annual Crime Statistics	Compliance	11/22/21	9/29/21	In Progress
		Daily Crime and Fire Log	Compliance	11/22/21	11/01/22	In Progress
		Emergency Notifications and Timely Warnings	Compliance	11/22/21	3/30/22	In Progress
Administration and Finance	Police Department Fiscal Activities FY21	Hours Worked and Leave Reporting and WTE Approvals	Compliance	11/23/21	11/23/21	In Progress
Administration and Finance	Owens House – Closeout Construction	Obtain Amounts Due from Contractor	Financial Control	11/30/21	1/31/22	Complete
Administration and Finance	Police Department Operations	Physical Access	Internal Control	3/15/22	4/01/22	In Progress
		General Training	Compliance	3/15/22	6/01/22	Planned
		Weapons Training	Compliance	3/15/22	7/01/22	Planned
		Records Management	Compliance	3/15/22	12/31/22	Planned
		Performance Evaluations	Policy and Procedures	3/15/22	4/08/22	In Progress
Academic Affairs	Office of Visa and Immigration Service Advising	Lack of Budget Reconciliations	Financial Control & Internal Compliance	4/05/22	7/01/22	Planned
		I-9 Compliance for Non-Immigrants	Federal Compliance	4/05/22	7/01/22	Planned
		Reconciliation of Visa Holder Data	Operations Control	4/05/22	7/01/22	Planned
		Hours Worked by F-1 Visa Holders	Federal Compliance	4/05/22	7/01/22	Planned
Athletics	Tennis Center	Court Rental Contracts for Non-Member Leagues	Internal Compliance and Control	4/07/22	9/01/22	Planned
		Internal Rates Charges and Discounts for Services	Internal Compliance	4/07/22	7/01/22	Planned
		Daily Balancing of the Revenue Report	Internal Compliance	4/07/22	7/01/22	Planned
		Records Management	State and Internal Compliance	4/07/22	7/01/23	Planned
		Goal Setting and Assessment	Effectiveness	4/07/22	7/01/23	Planned
		Web Time Entry Approvals	Control and Internal Compliance	4/07/22	9/10/22	Planned
		Emergency Action Plan	Internal Compliance	4/07/22	7/01/23	Planned

**The Office of Emergency Management has responsibility for the approval action needed.

OLD DOMINION UNIVERSITY
University Audit Department
Audit Plan
FY 2021-2022

PROPOSED TO REMOVE

SCHEDULED ENGAGEMENTS

Audits	Area	Estimated Hours	Group Total
Athletics Business Office	Athletics	350	
Housing and Residence Life	Student Engagement and Enrollment Services	350	
Budget Office	Administration and Finance	350	
University Libraries	Academic Affairs	350	
College of Science	Academic Affairs	400	
Cybersecurity: Intrusion Detection and Incident Response	Administration and Finance	400	
Conflict of Interests	Various	250	
Enterprise Data Storage and Recovery	Administration and Finance	350	
Desktop Management	Administration and Finance	250	
			3,050
Annual Engagements	**Area**	**Estimated Hours**	**Group Total**
Office of the President FY2021 Expenditures	Office of the President	100	
Police Department Fiscal Activities FY2021	Administration and Finance	200	
			300
Assisting Other Departments	**Area**	**Estimated Hours**	**Group Total**
Endowment Spending	University Advancement	250	
Audit Outreach	Student Engagement and Enrollment Services	350	
			600
Audits Started In Prior Fiscal Years	**Area**	**Estimated Hours**	**Group Total**
Banner Workflows	Various	325	
Office of Visa & Immigration Service Advising	Academic Affairs	110	
Facilities Events and Equipment and Tennis Center	Athletics	130	
Enterprise Service Bus	Administration and Finance	40	
Owens House Closeout Construction Audit	Administration and Finance	140	
Closeout Procedures for the Confucius Institute	Academic Affairs	25	
Police Department (Operations)	Administration and Finance	50	
College of Business	Academic Affairs	10	
Payroll Benefits	Administration and Finance	150	
Special Project: Student Conduct and Academic Integrity	Student Engagement and Enrollment Services	80	
Special Project: Institutional Research	Student Engagement and Enrollment Services	5	
			1,065
Total Scheduled Audits			**5,015**

OTHER AUDIT ACTIVITIES

Activity	Estimated Hours	Group Total
Audit and Compliance Committee Activities	200	
Audit Planning and Risk Assessment	150	
Fraud Waste and Abuse Hotline	150	
Follow-Up Activities for Open Action Items	300	
Compliance Advisory Committee	100	
Policy Review Committee	100	
Audit Software Updates and Reviews	100	
Annual Internal Quality Assurance Activities	100	
Continuing Professional Development	250	
Special Requests / Unscheduled Audits	350	
		1,800
Total Other Audit Activities		**1,800**

Total Audit Hours	**6,815**

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OLD DOMINION UNIVERSITY
University Audit Department
Audit Plan
FY 2022-2023

SCHEDULED ENGAGEMENTS

Audits	Area	Estimated Hours	Group Total
Budget Office	Administration and Finance	350	
Endowment Spending	Various	250	
College of Engineering	Academic Affairs	400	
Student Financial Aid	Student Engagement and Enrollment Services	350	
NCAA Compliance: Recruitment	Athletics	350	
Amazon Web Services Cloud Computing Environment	Administration and Finance	400	
Salesforce TargetX - Customer Relationship Manager	Multiple	400	
			2,500
Annual Engagements	**Area**	**Estimated Hours**	**Group Total**
Office of the President FY2022 Expenditures	Office of the President	125	
Police Department Fiscal Activities FY2022	Administration and Finance	200	
			325
Assisting Others	**Area**	**Estimated Hours**	**Group Total**
Audit Outreach	University Wide	100	
Web Time Entry Override Reports	University Wide	70	
Auditor of Public Accounts Assistance	Various	200	
			370
Audits Started In Prior Fiscal Year	**Area**	**Estimated Hours**	**Group Total**
Desktop Management	Administration and Finance	75	
Athletics Business Office	Athletics	100	
Housing and Residence Life	Student Engagement and Enrollment Services	300	
University Libraries	Academic Affairs	325	
College of Sciences	Academic Affairs	180	
Cybersecurity: Intrusion Detection and Incident Response	Administration and Finance	125	
Enterprise Data Storage and Recovery	Administration and Finance	325	
			1,430
Total Scheduled Audits			**4,625**

OTHER AUDIT ACTIVITIES

Activity	Estimated Hours	Group Total
Audit and Compliance Committee Activities	200	
Audit Planning and Risk Assessment	100	
Fraud Waste and Abuse Hotline	100	
Follow-Up Activities for Open Action Items	300	
Policy Review Committee	100	
Audit Software Administration	25	
Annual Internal Quality Assurance Activities	100	
Continuing Professional Development	200	
Special Requests / Unscheduled Audits / Investigations	400	
		1,525
Total Other Audit Activities		**1,525**
Total Audit Hours		**6,150**