YOUNGSTOWN STATE UNIVERSITY

Wednesday, September 18, 2024
10:16 a.m. or immediately following
previous meeting

Board Room
Tod Hall

AGENDA

A.   **Disposition of Minutes for Meeting**

B.   **Old Business**

C.   **Subcommittee Item**

   1.   **Discussion Items**

C.1.a. = Tab 1   **a.**   **Anonymous Reporting Hotline Stats Update**
Michelle DiLullo, Staff Auditor, will report.

C.1.b. = Tab 2   **b.**   **FY24 Fourth Quarter Internal Audit Plan Update**
Michelle DiLullo, Staff Auditor, will report.

C.1.c. = Tab 3   **c.**   **Audit Matrix Open Audit Recommendations Update**
This matrix tracks the progress of the implementation of recommendations for improvement or correction made by internal and external auditors.
Michelle DiLullo, Staff Auditor, will report.

C.1.d. = Tab 4   **d.**   **Internal Audit Activities Report FY24**
Michelle DiLullo, Staff Auditor, will report.

C.1.e. = Tab 5   **e.**   **Internal Audit Report on Facilities and Building Access**
Michelle DiLullo, Staff Auditor, will report.

D.   **New Business**

E.   **Adjournment**

YSU Anonymous Reporting Hotline
Aggregated Statistics
Fiscal Year 2024 Quarter 4

Hotline Activity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year To Date Total
Reports received	3	4	2	2	11
Closed					
Unsubstantiated/insufficient information	0	1	1	0	2
Process enhancements noted	0	0	0	0	0
Investigation	1	1	0	1	3
Referred	2	2	1	1	6
Total Closed	**3**	**4**	**2**	**2**	**11**
Under review at quarter end	-	-	-	-	-

Reporting Method	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year To Date Total
Ethicspoint Phone	0	0	0	0	**0**
Ethicspoint Website	3	4	2	2	11
Total:	**3**	**4**	**2**	**2**	**11**

Reporter Anonymity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year To Date Total
Anonymous	3	4	2	2	11
Not anonymous	0	0	0	0	**0**
Total:	**3**	**4**	**2**	**2**	**11**

Projects						
Project Area	Risk Category	Risk Level*	Status**	Actual Q4 Hours	Actual YTD Hours	Audit Plan Budgeted Hours
Current Year Audits:						
Student Billing, Collections, and Accounts Receivable	Financial & Operational	High	Completed	-	25	0
Banner User Access (KSU IT Audit)	IT & Compliance	High	Completed	-	5	0
Division of Workforce Education & Innovation	Operational, Financial, & Compliance	High	Completed	9	360	410
Division of Workforce Education & Innovation Student Information System (KSU IT Audit)	IT & General Controls	High	Completed	-	7	0
Facilities and Building Access	Facilities, Operational, & Compliance	High	In Process	88	137	225
Inventory Control Audit	Financial, Operational, Compliance	High	In Process	38	38	0
Conflict of Interest (Deferred to FY25 due to policy update)	Compliance & Operational	High	Deferred	-	-	225
Consulting & Advisory						
Consulting & Advisory/ERM	Various	Moderate	Ongoing	5	102	50
Continuous Auditing Analytics						
Payroll	Financial, Operational, Compliance	Moderate	Ongoing	50	138	150
Accounts Payable	Financial, Operational,	Moderate	Ongoing	93	234	150
EthicsPoint Hotline Monitoring	Various	High	Ongoing	12	44	100
Follow-up on Open Audit Recommendations	Various	Various	Ongoing	9	18	120
			Total Project Hours	304	1,108	1,430

*Risk Level

Assessment of potential impact of risks and likelihood of risk events occurring; rating drives Internal Audit plan priorities:

High - significant risk area, high priority for Internal Audit coverage

Medium - moderate risk area, moderate priority for Internal Audit coverage

Low - less significant risk area, low priority for Internal Audit coverage

Non-Project Hours			
Category	Actual Q4 Hours	Actual YTD Hours	Audit Plan Budgeted Hours
Professional Development	12	58	100
Administrative:	204	914	550
Total Administrative Hours	216	972	650

Total Hours	520	2,080	2,080

**Status Definitions

Planned - as per audit plan, schedule to start in current FY

In Process - in progress at quarter end

Complete - audit procedures concluded and results communicated

Deferred - moved from current FY plan per updated risk assessment

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2023-01	Student Bill Presentation	Evaluate developing script to combine charges for more simplified, condensed presentation on student bills.	Discussions have occurred and meetings are scheduled with Kent State to explore opportunities for YSU to utilize and modify existing script used by Kent State. An IT work order has been established to move forward to simplify and condense the presentation of the student bills. The implementation depends on IT resources and the complexity of the script needed.	The Bursar office and IT staff have met with Kent State and have made some of the desired changes to the formatted bills. Since bills are sent to students through TouchNet we have reached out to them for guidance and assistance on making the desired changes.	The Bursar has been working with TouchNet and have completed the new billing presentation. Currently gathering feedback from student government and PSC. Planning to put into production in the third billing cycle this fall when numbers are lower in case of any issues.
Dated Issued	8/10/2023					
Risk Category	Operational	Student Billing, Collections, & Accounts Receivable Audit				
Risk Level	Medium					
Division	Finance/Business Operations					
Deadline	6/30/2024					
New Deadline	12/31/2024					
Current Status	Deadline Revised					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2023-01	Student Write-Off Review	Enhance internal controls to ensure write-off transactions are accurate and proper. Complete the process to automate the write off process to ensure accuracy and efficiency reducing the volume of manual transactions for posting and manual review.	A review of write-offs in total is completed by the Bursar and Controller's office on an annual basis. Discussions and documentation for a work order to automate the write-off process was already in place prior to this audit.	IT has created a job that will automatically post a write-off detail code to the appropriate student account balances. We plan to test in April and May and hopefully have it completed before year-end.	The write off job has been revised to automate the process and was used on 6/14/24 to write of tuition balances for spring 2021.
Dated Issued	8/10/2023					
Risk Category	Financial, Operational	Student Billing, Collections, & Accounts Receivable Audit				
Risk Level	Medium					
Division	Finance/Business Operations					
Deadline	12/31/2023					
New Deadline	6/30/2024					
Current Status	CLOSED					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	KSU 2023-1057	Job Change Report & Annual Review for Banner Access	An annual, centrally facilitated review should be completed by all Data Custodians to confirm access is appropriate.	A new process will be implemented to update Banner access and include a new change job report when a person changes jobs. This process will provide Data Custodians with visibility to identify any inappropriate Banner access. Work will begin in April 2024 and will work towards a defined approach by 6/30/24.	A new process will be implemented to update Banner access and include a new change job report when a person changes jobs. This process will provide Data Custodians with visibility to identify any inappropriate Banner access. Work will begin in April 2024 and will work towards a defined approach by 6/30/24.	The HR Job Transfer project will start at the end of August (it was delayed in part due to EGCC and maternity leave) and it is expected to be complete Dec -January.
Dated Issued	11/17/2023					
Risk Category	IT					
Risk Level	High	Banner Access Audit				
Division	Division of IT, Application Services					
Deadline	6/30/2024					
New Deadline	6/30/2025					
Current Status	on Schedule					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	KSU 2023-1057	PII Data in Banner	Access to view sensitive PII data should be masked or restricted to only those users who require for business purposes.	Solutions to be reviewed that would accomplish this but need to be cognizant of a potential move to Banner SaaS, where customizations are not allowed. Approach to be identified by 6/30/24 by Director of Application Services.	Solutions to be reviewed that would accomplish this but need to be cognizant of a potential move to Banner SaaS, where customizations are not allowed. Approach to be identified by 6/30/24 by Director of Application Services.	A process has been implemented to restrict access to view sensitive PII data in Banner.
Dated Issued	11/17/2023					
Risk Category	IT	Banner Access Audit				
Risk Level	High					
Division	Division of IT, Application Services					
Deadline	6/30/2024					
New Deadline						
Current Status	Closed					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	KSU 2023-1057	SOP for Annual Review of YSU Banner Access	A standard operating procedure for Banner user access review should be created and used by Data Custodians.	An access review process will be identified and formalized over time, as YSU is in the process of forming a new Data Governance/Data Integrity team. Data owners will be identified, standards enforced, and policies will be reviewed by 12/31/24.		An access review process will be identified and formalized over time, as YSU is in the process of forming a new Data Governance/Data Integrity team. Data owners will be identified, standards enforced, and policies will be reviewed by 12/31/24.
Dated Issued	11/17/2023					
Risk Category	IT					
Risk Level	High	Banner Access Audit				
Division	Division of IT, Application Services					
Deadline	12/31/2024					
New Deadline	3/30/2025					
Current Status	On Schedule					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	KSU 2023-1057	Access for Terminated Users in YSU Banner	Banner access to sensitive transactions should be removed from a user's account when an employee is terminated to prevent fraudulent activity.	Mitigations are in place at multiple levels to ensure no terminated employee gains access after termination. Removing user's security classes is another layer of security and YSU will work towards developing a new process where this can be accomplished in an automated way. This approach is to be identified by 12/31/24 by the Director of Infrastructure Services.		Mitigations are in place at multiple levels to ensure no terminated employee gains access after termination. Removing user's security classes is another layer of security and YSU will work towards developing a new process where this can be accomplished in an automated way. This approach is to be identified by 12/31/24 by the Director of Infrastructure Services.
Dated Issued	11/17/2023					
Risk Category	IT					
Risk Level	Medium	Banner Access Audit				
Division	Division of IT, Infrastructure Services					
Deadline	12/31/2024					
New Deadline						
Current Status	On Schedule					

Audit Recommendations Status- FY2024 Q4

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	KSU 2024-1057	System access	System access testing revealed that some users had access beyond what is necessary for their job function. Recommend removal of access or reduced access for users with inappropriate access. Recommend annual review of users to confirm system access.	Agree. The application administrator will review current roles and access and will modify individual account access levels by 3/31/24. Going forward, access will be reviewed annually.	Current roles and access are being reviewed. Significant progress has been made but it is not yet complete. Revised deadline to 4/30/2024	Current roles and access was reviewed and updated. This was completed by the 4/30/2023 revised deadline.
Dated Issued	2/26/2024					
Risk Category	IT					
Risk Level	High	ITGC Audit-WEI				
Division	Academic Affairs					
Deadline	3/31/2024					
New Deadline	4/30/2024					
Current Status	Closed					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	KSU 2024-1057	Software & hardware is appropriately safeguarded	Testing of a sample of users showed inappropriate computer safeguards on devices using the application. All devices of users with elevated access should be YSU managed devices and have appropriate computer safeguards. YSU firewall is configured to protect university resources.	Agree. Information Security Engineer will implement appropriate computer safeguards for all YSU managed devices by 12/31/24.		Agree. Information Security Engineer will implement appropriate computer safeguards for all YSU managed devices by 12/31/24.
Dated Issued	2/26/2024					
Risk Category	IT					
Risk Level	High	ITGC Audit-WEI				
Division	Academic Affairs					
Deadline	12/31/2024					
New Deadline						
Current Status	On Schedule					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	KSU 2024-1057	Business Continuity Plan	Data backups and data center controls are provided by the vendor. Business Continuity Plan was not completed. Recommend completing a Business Continuity Plan to document steps required to continue business processes in the event of a system failure.	Agree. The application administrator will complete a Business Continuity Plan to ensure proper procedures are in place should a system failure occur by 12/31/24.		Agree. The application administrator will complete a Business Continuity Plan to ensure proper procedures are in place should a system failure occur by 12/31/24.
Dated Issued	2/26/2024					
Risk Category	IT					
Risk Level	Medium	ITGC Audit-WEI				
Division	Academic Affairs					
Deadline	12/31/2024					
New Deadline						
Current Status	On Schedule					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	KSU 2024-1057	Change Management Controls	Upgrades to the application are performed by the vendor. Communication of changes to application users should be implemented. Standard Operation Procedures (SOP) should be developed.	Agree. The application administrator will complete Standard Operating Procedures for the application and will ensure there is proper communication regarding application updates/changes by 12/31/24.		Agree. The application administrator will complete Standard Operating Procedures for the application and will ensure there is proper communication regarding application updates/changes by 12/31/24.
Dated Issued	2/26/2024					
Risk Category	IT					
Risk Level	Medium	ITGC Audit-WEI				
Division	Academic Affairs					
Deadline	12/31/2024					
New Deadline						
Current Status	On Schedule					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2024-02	Documented Procedures	Develop and implement procedures throughout the department to ensure the transfer of knowledge during staff transitions.	STEM-WEI: Sharepoint folders have been created that contain procedures that pertain to the operations/programs offered in the ETC and ITWA.		Sharepoint folders have been created that contain procedures that pertain to the operations/programs offered in the ETC and ITWA.
Dated Issued	4/17/2024					
Risk Category	Operational					
Risk Level	High	Workforce Education & Innovation Audit		TILT: Development and implementation of written procedures for TILT and timely expense processing is currently underway and will be completed on a monthly basis.		The Tressel Institute has developed written and implemented documented procedures. **CLOSED**
Division	Academic Affairs					
Deadline	5/1/2024					
New Deadline						
Current Status	Pending Validation					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2024-02	Reconciliations	Develop and implement a monthly reconciliation process to ensure all revenue is collected and expenditures correspond with Banner.	STEM-WEI: The PI of each grant is the financial manager for their grant. Each financial manager will reconcile their respective grants monthly.		The PI of each grant is the financial manager for their grant. Each financial manager will reconcile their respective grants monthly.
Dated Issued	4/17/2024					
Risk Category	Financial, Operational					
Risk Level	High	Workforce Education & Innovation Audit		TILT: Yes, will implement for expenditures and revenue. Current source of revenue is from gifts made through the YSU Foundation for endowed accounts.		TILT developed and implemented a monthly reconciliation process to ensure all revenue is collected and expenditures correspond with Banner.
Division	Academic Affairs					
Deadline	5/1/2024					
New Deadline						
Current Status	Pending Validation					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2024-02	Billing Process	Enhance controls over the billing processes to ensure registration fee revenues are billed accurately and timely.	STEM-WEI: Before workforce students take a class, a SOW, MSA, and quote are provided to the company and signed. Personnel at the ETC have always prepared paperwork for non-student billing for the workforce classes taught in the ETC in a timely manner.		Before workforce students take a class, a SOW, MSA, and quote are provided to the company and signed. Personnel at the ETC have always prepared paperwork for non-student billing for the workforce classes taught in the ETC in a timely manner.
Dated Issued	4/17/2024					
Risk Category	Financial, Operational					
Risk Level	High	Workforce Education & Innovation Audit				
Division	Academic Affairs					
Deadline	2/1/2024					
New Deadline						
Current Status	Pending Validation					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2024-02	BOT Financial Reporting	Develop a standard financial report that can effectively communicate crucial financial information.	STEM-WEI: As WEI is part of STEM College, there will be no more direct reporting to the BOT, rather a monthly reporting to the Provost, by the Dean of the STEM College.		WEI will have a quarterly presentation to BOT subcommittee and the Board of Trustees.
Dated Issued	4/17/2024					
Risk Category	Financial, Operational					
Risk Level	High	Workforce Education & Innovation Audit		TILT: Assigned the development of a standard financial report to provide transparency for the financial activities of the TILT.		TILT has developed a standard financial report that will provide ongoing transparency for activities associated with TILT.
Division	Academic Affairs					
Deadline	5/1/2024					
New Deadline						
Current Status	Pending Validation					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2024-02	BOT Programmatic Reporting	Continue develop and document the new process to verify KPI's and maintain documented support to verify that the programmatic report to the BOT is accurate.	STEM-WEI: As WEI is part of the STEM College, there will be no more direct reporting to the Board of Trustees, rather, a monthly reporting to the Provost by the Dean of the STEM College		WEI will have a quarterly presentation to BOT subcommittee and the Board of Trustees.
Dated Issued	4/17/2024					
Risk Category	Operational					
Risk Level	High	Workforce Education & Innovation Audit		TILT: Where applicable, will implement number of users (YSU Students) completing badges and provide reports.		At the conclusion of each semester, TILT will provide the number of YSU students completing TILT badges.
Division	Academic Affairs					
Deadline	51/1/2024					
New Deadline						
Current Status	Pending Validation					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2024-02	Programmatic Reporting for Grants	Develop and implement a process, to document programmatic data and to maintain the sources of the data.	**STEM-WEI:** Every PI is responsible for timely programmatic reporting. The PI is notified by the funding agency on what needs to be reported and by when and what format it needs to be in. The PI is also responsible for records management following the BOT policy 3356-9-09.		Every PI is responsible for timely programmatic reporting. The PI is notified by the funding agency on what needs to be reported and by when and what format it needs to be in. The PI is also responsible for records management following the BOT policy 3356-9-09.
Dated Issued	4/17/2024					
Risk Category	Operational					
Risk Level	High	Workforce Education & Innovation Audit				
Division	Academic Affairs					
Deadline	1/24/2024					
New Deadline						
Current Status	Pending Validation					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2024-02	Remote Work	Remote work forms were filled out before the reorganization of DWEI. Remote work arrangements should be reviewed by each employee's current supervisor and updated.	**STEM-WEI:** Dean of the STEM College reviewed all Remote Work approvals that were on file with HR and discussed it with the involved supervisors.		Dean of the STEM College reviewed all Remote Work approvals that were on file with HR and discussed it with the involved supervisors.
Dated Issued	4/17/2024					
Risk Category	Operational					
Risk Level	Medium	Workforce Education & Innovation Audit		**TILT:** Remote work has been discussed with each employee with approved forms.		No TILT employees are on remote work schedule. The staff decided that remote work is not advantageous for TILT's current stage of development. **CLOSED**
Division	Academic Affairs					
Deadline	1/24/2024					
New Deadline						
Current Status	Pending Validation					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2024-02	Room Reservation System	Utilize the room reservation system for Workforce Education and Innovation events and classes.	**STEM-WEI:** Two employees of the ETC are trained in the banner system and consistently schedule classes/events taking place at the ETC.		Two employees have been trained and are using the room reservation system.
Dated Issued	4/17/2024					
Risk Category	Operational					
Risk Level	Medium	Workforce Education & Innovation Audit		**TILT:** Staff responsible for utilizing the room reservation system are using the system already or are currently securing permission.		TILT employees are in the process of receiving 25LIVE training.
Division	Academic Affairs					
Deadline	5/1/2024					
New Deadline						
Current Status	Pending Validation					

Audit Recommendations Status- FY2024 Q4

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2024-02	Expense Monitoring	Ensure expenses are processed in accordance with university guidelines. Ensure all Financial Managers have completed training for purchasing cards, travel cards, and eCube.	STEM-WEI: All PI's are now also financial managers. All financial managers have to adhere to the YSU procurement policies and are subject to scheduled training sessions related to purchasing cards, travel cards and eCube. All these are mandatory trainings.		All PI's are now also financial managers. All financial managers have to adhere to the YSU procurement policies and are subject to scheduled training sessions related to purchasing cards, travel cards and eCube. All these are mandatory trainings.
Dated Issued	4/17/2024					
Risk Category	Financial, Operational					
Risk Level	Low	Workforce Education & Innovation Audit				
Division	Academic Affairs					
Deadline	1/24/2024					
New Deadline						
Current Status	Pending Validation					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2024-02	PI/FM of Grants	The Principal Investigator should also be the Financial Manager on the grant so both spending and project progress is managed by the same person.	STEM-WEI: : All Principal investigators have been made financial manager on their own grants. This was accomplished by working together with the Grants accounting office. Moving forward, all Principal Investigators of the WEI will automatically be financial manager.		All principal investigators have been made the financial managers of their own grants and this will continue with all WEI future grants.
Dated Issued	4/17/2024					
Risk Category	Operational					
Risk Level	Low	Workforce Education & Innovation Audit				
Division	Academic Affairs					
Deadline	2/7/2024					
New Deadline						
Current Status	CLOSED					

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2024-02	Policy Awareness	Employees of the WEI are encouraged to take the on-boarding training to become more aware of important policies on campus.	STEM-WEI: Dean Steelant contacted HR to follow-up on offering (or make available) the onboarding training for the remaining WEI personnel.		WEI is working with Human Resources to make sure that all WEI employees have completed campus policy training.
Dated Issued	4/17/2024					
Risk Category	Operational					
Risk Level	Low	Workforce Education & Innovation Audit				
Division	Academic Affairs			TILT: Tressel Institute for Leadership & Teamwork staff are current with training associated with campus policies		The Tressel Institute for Leadership & Teamwork staff remain current with training associated with campus policies as reported in March 2024. CLOSED
Deadline	3/25/2024					
New Deadline						
Current Status	Pending Validation					

YOUNGSTOWN STATE UNIVERSITY
Report of Internal Audit Activities for FY2024

Prepared by Michelle DiLullo, Internal Audit (July-2024)

Introduction

International professional standards promulgated by the Institute of Internal Auditors (IIA) require the communication of audit results. Thus, this annual report of IA activities for FY23 has been prepared for the Audit Subcommittee.

Purpose of Internal Audit (IA)

The IIA defines internal auditing as follows: "Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes."

This purpose is stated in the Office of Internal Audit Charter approved by the Audit Subcommittee and Board and Trustees in September 2023.

Mission Statement of Youngstown State University's Office of Internal Audit

The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. It assists the university in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the university's risk management, control, and governance processes.

Organization Independence of Internal Audit

The Office of Internal Audit maintained organizational independence throughout FY24:

- No conditions were noted that may threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner.
- IA had no direct operational responsibility or authority over any of the activities reviewed.
- There were no restrictions on the scope of IA's activities in FY24.

FY23 Internal Audit Staffing Resources

In fiscal year 2024, Office of IA staff included the following full-time positions:

Staff Auditor (started in IA at YSU 8/16/2022): Michelle DiLullo
Experience: two years higher education IA, 2 years public accounting,

In July 2022, the university entered into a shared service agreement with Kent State University. This agreement with KSU provides one IT audit per year and supplements YSU's internal audit department resources for review.

In FY24, IA staff completed approximately 58 hours of professional development in relevant audit and higher ed topics, such as, audit management, higher education risk, cybersecurity, artificial intelligence, data analytics, and fraud.

Internal Audit Methodology

Audit Opinions

Opinions may be issued on assurance engagements. The opinion indicates an assessment of the of the **overall system of internal controls** in preventing and detecting material errors and irregularities on a timely basis based on the following methodology:

Opinion	Assessment of System of Internal Control	Audit Findings
Adequate	**Provides reasonable assurance** that material errors and irregularities will be prevented or detected on a timely basis	**Low-risk** findings only
Requires Improvement	**Does not provide reasonable assurance** that material errors and irregularities will be prevented or detected on a timely basis;	One or more **Medium- or high-risk** findings
Inadequate	**Contains significant deficiencies** which if not corrected could permit material errors or irregularities to go undetected;	Numerous, extensive **high-risk** audit findings

Risk Rating Methodology for Audit Findings

Internal control and risk management issues included as audit findings in internal audit reports are assigned a **high**, **medium**, or **low risk rating**. The risk rating indicates the *priority for management action* to address the issues. The methodology is based on an assessment of *severity of potential impacts* from the issues and their *likelihood of occurrence*. The methodology is summarized below:
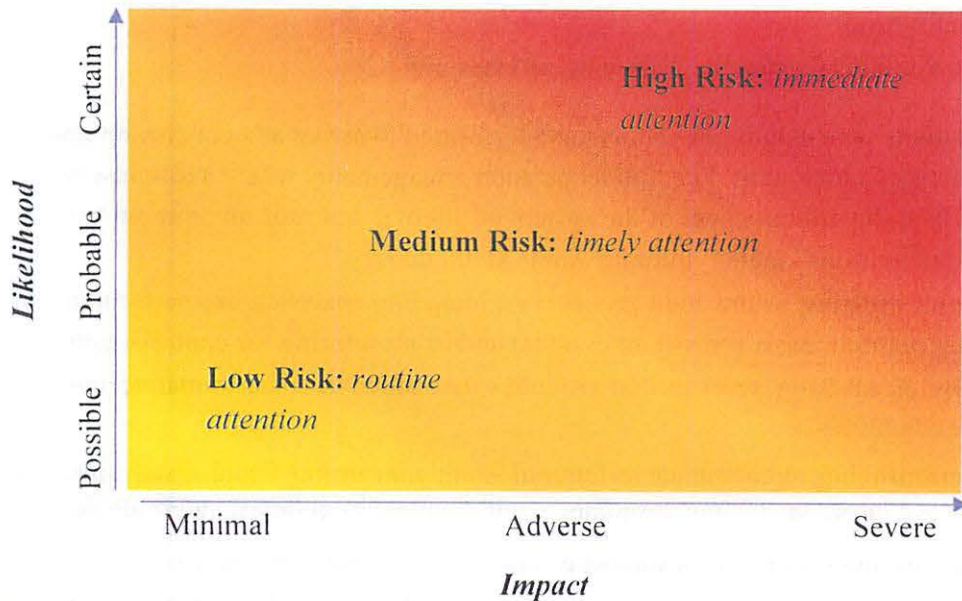
Impact

Potential impacts include:
- Financial loss
- Violation of university policy, strategy, or values
- Reputational damage
- Regulatory impacts (licensing, fines, public sanctions)
- Data exposure and/or data loss
- Extent of operation disruption (length of time, breadth of campus affected)

Summary of FY24 Internal Audit Activities for YSU

During fiscal year 2024, there were 2080 actual hours tracked for Office of IA staff, of which 1091 project hours were spent on providing internal audit services for the university. In addition, Kent State University provided 414 hours of internal audit services. Services performed addressed compliance, financial, operational, and information technology risks.

Services performed

YSU Internal Audit performed the following services in FY24:

- **Audit projects** where audit procedures are performed to arrive at a conclusion about the objective(s) under audit. For full-scope audit engagements where assurance is provided as to the effectiveness of the system of internal controls, an opinion is issued (see "Audit Opinions" under "Internal Audit Methodology")
- **Continuous auditing** where audit procedures, including analytics, are performed on an ongoing periodic basis for risk assessment and/or monitoring for controls gaps
- **Consulting & advisory** services that provide value-added services to management and other stakeholders.
- **Hotline monitoring** reports made to Internal Audit concerning fraud, fiscal abuse, or persistent and/or pervasive noncompliance with University policies and procedures.
- **Follow-up on open audit recommendations** to ensure management has implemented corrective actions plans to address identified risk and control findings.

A summary of actual project time by service performed is presented below:
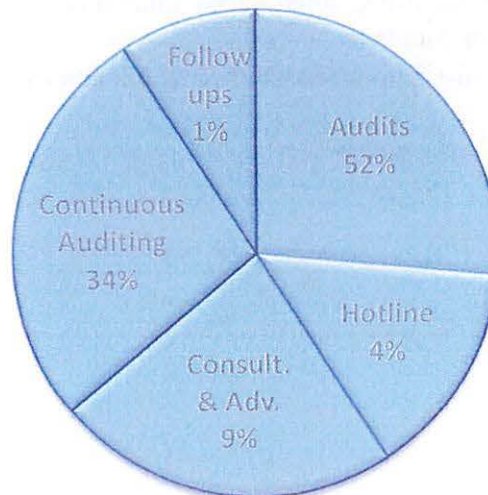
Services Performed FY24

Details of each of the services performed in FY24 are included in the pages that follow.

Audit Projects Performed in FY24

Project Area	Project Area Risk Rating	Risk Category	Synopsis of Scope & Objectives	Status	Results	Audit Opinion	Number High/Medium/Low Risk Audit Findings
Student Billing. Collections. & Accounts Receivable	High	Financial, Operational	Procedures and controls related to tuition maintenance and billing. application of student payments. collection processes. and account write offs.	Complete	Management's corrective action plans addressed risks and control gaps identified: see Follow-up	Requires Improvement	1 / 4 / 2
Division of Workforce Education and Innovation	High	Financial, Operational. Compliance	Evaluate procedures and controls in DWEI in relation to operational. financial, and compliance policies.	Complete	Management's corrective action plans addressed risks and control gaps identified: see Follow-up	Requires Improvement	6 / 2 / 3
KSU-Banner User Access	High	IT, Compliance	Procedures and controls for granting, modifying, and terminating Banner Access within Banner modules.	Complete	Management's corrective action plans addressed risks and control gaps identified: see Follow-up	Requires Improvement	4 / 1 / 0
KSU-IT General Controls Audit-DWEI	High	IT, General Controls	Evaluate internal controls related the Student Information System in DWEI.	Complete	Management's corrective action plans addressed risks and control gaps identified	Requires Improvement	2 / 2 / 0
Facilities and Building Access	High	Facilities. Operational. Compliance	Procedures and controls related to key issuance, replacement, and return; and procedures for vendor or visitor access.	In Process	N/A	N/A	N/A
Inventory Control Audit	High	Financial. Operational. Compliance	Procedures and controls related to physical inventory tracking and management.	In Process	N/A	N/A	N/A

Continuous Auditing Projects Performed FY24

Project Area	Project Area Risk Rating	Risk Category	Synopsis of Scope & Objectives	Status	Results
Continuous Auditing of Payroll	High	Financial, Compliance	Quarterly analytics and transactional testing of FY24 Payroll activity to assess compliance with university procedures.	In progress	In progress
Continuous Auditing of Payroll	High	Financial, Compliance	Quarterly analytics and transactional testing of FY23 Payroll activity to assess compliance with university procedures.	Complete	No exceptions noted
Continuous Auditing of Accounts Payable	High	Financial, Compliance	Quarterly analytics and transactional testing of FY24 Accounts Payable activity to assess compliance with university procedures.	In progress	In progress
Continuous Auditing of Accounts Payable	High	Financial, Compliance	Quarterly analytics and transactional testing of FY23 Accounts Payable activity to assess compliance with university procedures.	Complete	No exceptions noted

Consulting & Advisory Performed FY24

- Assisted Human Resources and Academic Affairs with research relating to secondary appointments resulting in a policy update.
- Consulted with Enterprise Risk Management on emerging risk at the university.

Hotline Monitoring Performed in FY24

Reports Received in FY24	Reports Investigated	Reports Referred	Unsubstantiated	Closed Reports	Open Reports June 30, 2024
11	3	6	2	11	0

Open Audit Recommendation Follow-Up Performed FY24

Project Area	Number of Open Recommendations Beginning or Issued FY24	Number of Audit Recommendations Closed in FY24	Number of Audit Recommendations Open at End of FY24
Student Organization Audit Follow-up	1	1	0
Student Billing. Collections, & Accounts Receivable Audit Follow-up	4	2	1
Division of Workforce Education and Innovation Audit Follow-up	11	0	11
KSU Banner Access Audit Follow-up	5	2	3
KSU IT General Controls Audit-Workforce Education & Innovation Follow-up	4	1	3

Office of Internal Audit Goals

Status: Office of IA Goals for FY2024

Goal: Execute the risk based FY24 audit plan, taking a collaborative approach to projects
Perform audit projects that provide value-added audit recommendations and insights to enhance the management of risks
Status: Completed

Goal: Facilitate risk assessments providing a framework for management to assess risk and identify gaps in control design
Status: Completed

Goal: Continue to use audit analytics and build continuous auditing analytics program to enhance risk assessment and provide value-added information on risks and controls to management
Status: Completed

Goal: Continue to monitor Anonymous Fraud Hotline to investigate and manage possible violations concerning compliance made by employees without fear of retribution.
Status: Completed

Goal: Continue to systematically track open audit comments and conduct quarterly follow-up with management
Status: Completed

Goal: Align and update audit plan priorities to respond to changes in the university's risks
Provide relevant, useful, and insightful reporting on Internal Audit plans and activities to management and Audit Subcommittee
Status: Completed

Goal: Promote and enhance the university's control environment
- Be responsive to questions and requests received for independent assurance and insight
- Proactively foster awareness of risk, fraud and fraud reporting, university policy and procedures
Status: Completed

Goal: Continuously improve departmental processes to align with Institute of Internal Auditors' Standards to ensure audit quality and efficiency
Status: Completed

Office of IA Goals for FY2025

Goal: Execute the risk based FY25 audit plan, taking a collaborative approach to projects:

- Perform audit projects that provide value-added audit recommendations and insights to enhance the management of risks
- Facilitate risk assessments providing a framework for management to assess risk and identify gaps in control design
- Continue to use audit analytics and build continuous auditing analytics program to enhance risk assessment and provide value-added information on risks and controls to management
- Continue to monitor Anonymous Fraud Hotline to investigate and manage possible violations concerning compliance made by employees without fear of retribution.
- Continue to systematically track open audit comments and conduct periodic follow-up with management
- Align and update audit plan priorities to respond to changes in the university's risks

Goal: Provide relevant, useful, and insightful reporting on Internal Audit plans and activities to management and Audit Subcommittee

Goal: Promote and enhance the university's control environment
- Be responsive to questions and requests received for independent assurance and insight
- Proactively foster awareness of risk, fraud and fraud reporting, university policy and procedures

Goal: Continuously improve departmental processes to align with Institute of Internal Auditors' Standards to ensure audit quality and efficiency.

John Hyden, AVP Facilities
Thomas Guerrieri, Building Construction Superintendent
Wendell Wagnon, Locksmith
Youngstown State University

August 12, 2024
Audit #2024-02

Dear Mr. Hyden, Mr. Guerrieri, Mr. Wagnon:

Internal Audit has completed an internal control assessment of the key processes related to key control within Facilities, Maintenance & Support Services. This audit was completed to provide assurance on the presence, adequacy, design, and operating effectiveness of the internal controls related to the objectives of the Lock Shop.

Internal controls are a process designed to provide reasonable assurance regarding achievement of the following objectives:

- effectiveness and efficiency of operations
- reliability of reporting, and
- compliance with procedures

Thus, internal controls are deemed effective if the above objectives are met. Internal controls can be a preventative control or a detective control. Procedures designed to keep errors or irregularities from occurring are preventative controls. Procedures designed to detect errors or irregularities which have occurred are detective controls. Internal Audit promotes continuous improvement of internal controls. However, management is responsible for establishing and maintaining effective internal controls.

Objectives

The primary objectives of this audit were as follows:

(1) identify if internal controls are present,
(2) assess if internal controls are appropriately designed, and
(3) test the operating effectiveness of internal controls.

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Scope and Procedures

The audit scope included the operational processes related to the following:

- The classification of, and access to, building and assets stored within
- Authorization hierarchy for buildings and associated assets
- The classification and types of physical keys/keypad codes and swipe key cards issued
- The issuance of physical keys/keypad codes and swipe key cards to staff, contractors, visitors, and students
- Method for tracking physical keys/keypad codes and swipe key cards issued
- Employee exit procedures for removing building access
- Issuance of spare physical keys and swipe key cards that are lost/stolen or in an emergency

The above objectives were accomplished using the audit procedures including, but not limited to, the following:

- review of applicable university and departmental policies and procedures
- conducting walkthroughs or processes performed pertaining to the Lock Shop
- testing internal controls by review of documentation and related support
- inquiring of Lock Shop staff

An audit of operational and system of internal controls is performed to provide management with reasonable but not absolute assurance that procedures and transactions are executed in an efficient manner. This internal audit was performed using a risk-based approach that did not include evaluation and testing of every transaction. Thus, assurance cannot be provided that all errors, irregularities, and instances of non-compliance occurring during the audit period were identified.

Opinion

Based on the results of procedures performed, the internal controls related to the key processes in the Lock Shop are **Inadequate.**

An **Inadequate Opinion** necessitates that Internal Audit perform follow-up on corrective actions noted in management responses based on the dates provided.

Internal Audit thanks you and your staff for their time and assistance during the audit process. Please call x1425 with any questions regarding this Report.
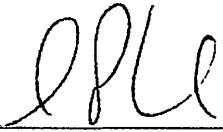
Sincerely,

Michelle DiLullo

Michelle DiLullo
Staff Auditor, Internal Audit

cc: B. Johnson
     N. McNally
     Audit Subcommittee

Acknowledgement of Responsibility

The Audit Comments include Management's Responses to audit observations and recommendations contained in this Report. These responses have been prepared and approved by the following individual(s) who acknowledge responsibility for directing the implementation of corrective action plans.

_____   07/30/2024

John Hyden, AVP Facilities   Date

This below table summarizes the results of the internal control assessment and the corrective actions to which management has committed. The audit comments are further detailed in the pages following this summary.

Summary of Audit Findings			
Audit Comment *(Risk Level)*	**Observation**	**Recommendation**	**Management Response**
#1 **Key Control Policy** *(High)*	Key control policy is not enforced by Facilities. Guidelines have not been developed or communicated properly to university employees.	Re-assess current Key Control Policy. Develop and communicate procedures and guidelines for the university community.	We are exploring development of a web-based solution for the lock shop; planning element expected to be completed by year end with implementation by the December 2025.
#2 **Documented Procedures** *(High)*	Lock Shop has no written procedures to guide new or current employees.	Develop and implement procedures throughout the department.	This recommendation is being considered and will be implemented in conjunction with enhancement of the key/lock database and web-based processing.
#3 **Key Issuance & Tracking** *(High)*	Key tracking database in the lock shop is not accurately maintained to ensure appropriate access and accountability.	Enhance procedures to ensure effective controls relating to key issuance and tracking.	See response to Comment #1. Also, have reached out to our lock/key system vendor to arrange for additional training.
#4 **Key Returns & Transfers** *(High)*	There is not a developed process for key returns and transfers.	Develop and implement procedures related to key returns and transfers.	See response to Comment #1.
#5 **Lost & Stolen Keys** *(High)*	A process is not in place for employees to report their keys lost/stolen to the Lock Shop.	Enhance the process and controls for tracking and reissuing keys that have been lost or stolen.	See response to Comment #1.
#6 **Keypad Access** *(High)*	Keypads are not tracked by the Lock Shop. One keycode is programmed for each keypad; not a high enough level of accountability or security for areas using keypad access.	Develop and implement controls to limit unauthorized individuals from gaining access to these areas. Consider enhancements to monitoring and tracking of access to areas with keypads.	The keypads currently being installed do have the ability to log and track individual access. One keycode is being programmed into each lock as a matter of convenience and practicality.
#7 **Succession Planning** *(High)*	Succession planning ensures experienced and competent employees are prepared to assume roles as they become vacant. A succession plan has not been developed.	Develop a succession plan to ensure the transfer of experience-based knowledge.	We do anticipate that our only locksmith will likely retire in the near future. We are in the process of hiring another locksmith to fill this void.

Audit Comment #1 Key Control Policy (High)

Observation: Key control policy (3356-4-16) is not enforced by Facilities, Maintenance and Support Services. According to the policy, key control procedures should be established and enforced to give employees necessary access to facilities while still keeping the university secure. Procedure and guidelines have not been developed or communicated properly to university employees. There are no controls in place to monitor compliance of the Key Control Policy and has resulted in inappropriate access. High level keys are issued without proper guidelines in place to limit access and has resulted in some employees having too much access.

Recommendation: Re-assess current Key Control Policy and update the key hierarchy with current terminology. Develop and communicate procedures and guidelines for the university community. Educate employees on the policy to ensure compliance by developing a Lock Shop website for employees to reference. Establish stringent guidelines to limit access, especially on grand master and master keys. If access is needed, have employees sign out keys and return after use.

Management Response: We are exploring development of a web-based solution for the lock shop to include key control procedures, requests, lost keys, transfers, and returns. Planning element expected to be completed by year end with implementation by December 2025.

Implementation Date: December 31, 2025

Audit Comment #2 Documented Procedures (High)

Observation: Documentation of procedures in the Lock Shop ensures the transfer of knowledge during staff transitions and is an essential part of succession planning. The Lock Shop has no written procedures to guide new or current employees.

Recommendation: Develop and implement procedures throughout the department to ensure transfer of knowledge. Implement a recurring, periodic review to make sure procedures are updated and complete. Some processes that need documented are key issuance, key returns and transfers, and lost or stolen keys.

Management Response: This recommendation is being considered and will be implemented in conjunction with enhancement of the key/lock database and web-based processing.

Implementation Date: December 31, 2025

Audit Comment #3 Key Issuance & Tracking (High)

Observation: The purpose of the key tracking database is to ensure keyholders have appropriate access and are accountable for that access. The Lock Shop should be able to produce accurate and complete reports of keyholder access to ensure security of the university, especially in areas where access restriction is high priority, such as Chemical Management. However, data in the key tracking database is not accurately maintained to ensure appropriate access and accountability. The following were noted during the audit.

- Employees have not been trained to utilize all functions of the key database
- Keys/keyholders are not tracked accurately and several keyholders were not in the system
- Keymark IDs looked up in the system were not always issued to the correct employee
- Lock Shop employees are unable to produce reports for a department to evaluate if access is appropriate
- Key card request forms are not filed timely and some cards contained sensitive personal information
- Classroom keys are not tracked or entered in the key tracking database
- Controls are not in place for changing keys/cores with supervisor approval and dated documentation of the change

Recommendation: Enhance procedures to ensure effective controls relating to key issuance and tracking. The following enhancements are recommended; however, this is not an all-inclusive list:

- Professionally train employees to fully utilize the key assigning/tracking database. Ensure procedures for using the key tracking database are documented (see Audit Comment #2).
- Develop procedures to ensure key issuances and transfers are accurately and timely recorded in the key tracking database. Consider creating a workflow to automate the key issuance process or a ticketing process to track requests.
- Develop a detailed authorization form that includes reason for access and if it's a replacement key, which is dated with authorized signatures. Ensure completed forms are maintained by the Lock Shop.
- Establish institutional criteria to help determine high security and sensitive physical locations and implement stricter key controls.
- Develop procedures to perform periodic physical inventories of keys, especially master keys by implementing key/door audits.
- Develop procedures to ensure keys/cores are only cut or changed with supervisor authorization and that documentation of the request/authorization is maintained.

Management Response: See response to Comment #1. Also, have reached out to our lock/key system vendor to arrange for additional training.

Implementation Date: December 31, 2025

Audit Comment #4 Key Returns & Transfers (High)

Observation: There is not a developed process for key returns and transfers. The Lock Shop is not notified of employee termination or transfers. As a result, keys are not returned to the Lock Shop when an employee separates from the university. When keys are transferred from one employee to another the Lock Shop does not receive a transfer notice from that department to update their database. This risks inappropriate access from employees that are no longer working at the university or that have transferred positions and still have access to areas relating to their old duties leaving the university unsecure.

Recommendation: Develop and implement procedures related to key returns and transfers (see audit comment #2) Once implemented, enhance the process and controls surrounding the return/transfer of keys. Work with individual departments and Human Resources to strengthen the key return and transfer process.

Management Response: See response to Comment #1

Implementation Date: December 31, 2025

Audit Comment #5 Lost or Stolen Keys (High)

Observation: According to the Key Control Policy (3356-4-16) lost or stolen key should be immediately reported to University Police, the Department of Facilities, Maintenance, and Support Services, and the keyholder's supervisor. There is a disconnect in the reporting of lost or stolen keys. It is the responsibility of the keyholder to report lost/stolen keys. A process is not in place for employees to report their keys lost/stolen to the Lock Shop. The keyholder usually fills out a new key request card. The key request card does not include a space to let the Lock Shop know that it is a replacement key. Therefore, a new key is issued without being marked in the system as a replacement key. The old key is unaccounted for causing the risk of inappropriate access.

Recommendation: Enhance the process and controls for tracking and reissuing keys that have been lost or stolen to ensure that keys are properly reported and replaced. Work with the University Police and department managers to strengthen the reporting process of lost/stolen keys. Enhance the key request form to include if the key request is a replacement for a lost/stolen key.

Management Response: See response to Comment #1

Implementation Date: December 31, 2025

Audit Comment #6 Keypad Access (High)

Observation: There are certain areas in the university that use keypad access. Keypads are used for athletics and science labs. Keypads make it easier for athletes to access locker rooms, training areas, and equipment without having to issue individual physical keys. Keypads also allow students and professors to access labs for research and projects without physical keys. However, the keypads do not have the ability to log and track individual access. The keypads themselves are not tracked in a database by the Lock Shop. One keycode is programmed for each keypad so there is no way to track who is actually using the code to access these areas. Those who have been properly assigned codes may share them with others and access is gained by people who are not authorized. There is not a high enough level of accountability or security for areas using keypad access.

Recommendation: Develop and implement controls to limit unauthorized individuals from gaining access to these areas, including but not limited to periodically changing key codes. Consider enhancements to monitoring and tracking of access to areas with keypads such as camera coverage of access to areas with keypad access.

Management Response: The keypads currently being installed do have the ability to log and track individual access. One keycode is being programmed into each lock as a matter of convenience and practicality. We are working with the vendor to ensure that the tracking feature is properly functioning and train our locksmith how to use it.

Implementation Date: June 30, 2025

Audit Comment #7 Succession Planning (High)

Observation: Succession planning is a strategic process to ensure that necessary knowledge and skills will be maintained when employees in critical positions leave. Succession planning ensures experienced and competent employees are prepared to assume those roles as they become vacant. Employees at or near retirement age presents the risk of loss of experience-based knowledge.

Recommendation: Develop a succession plan to ensure the transfer of experience-based knowledge.

Management Response: We do anticipate that our only locksmith will likely retire in the near future. We hired a locksmith to learn the system prior to this pending retirement. Unfortunately, after only three months the new employee left for a higher salary elsewhere. We are in the process of hiring another locksmith to fill this void. Based upon our last search process, we suspect we may need to adjust the salary up to attract a viable replacement. This position is a priority.

Implementation Date: December 31, 2024