



YOUNGSTOWN STATE UNIVERSITY

**BOARD OF TRUSTEES
AUDIT SUBCOMMITTEE
..., Chair
Richard C. Fryda, Vice Chair
Laura A. Lyden
Anita A. Hackstedde
Joseph J. Kerola**

**Thursday, June 6, 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 Items

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 Third 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. Audit Report on Workforce Education and Innovation
Michelle DiLullo, Staff Auditor, will report.

2. Action Item

C.2.a. = Tab 5 a. Resolution to Approve the FY25 Annual Internal Audit Plan
Michelle DiLullo, Staff Auditor, will report.

D. New Business

E. Adjournment

YSU Anonymous Reporting Hotline
Aggregated Statistics
Fiscal Year 2024 Quarter 3

Hotline Activity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year To Date Total
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Reports received	3	4	2	-	9
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Closed					
Unsubstantiated/insufficient information	0	1	1	-	2
Process enhancements noted	0	0	0	-	0
Investigation	1	1	0	-	2
Referred	2	2	1	-	5
Total Closed	3	4	2		9

Under review at quarter end	-	-	-	-	-
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Reporting Method	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year To Date Total
Ethicspoint Phone	0	0	0	-	0
Ethicspoint Website	3	4	2	-	9
Total:	3	4	2	-	9

Reporter Anonymity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year To Date Total
Anonymous	3	4	2	-	9
Not anonymous	0	0	0	-	0
Total:	3	4	2	-	9

Youngstown State University
Quarterly Internal Audit Plan Update
FY24 Q3 January 1, 2024 - March 31, 2024

Projects						
Project Area	Risk Category	Risk Level*	Status**	Actual Q3 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	In Process	126	351	410
Division of Workforce Education & Innovation Student Information System (KSU IT Audit)	IT & General Controls	High	In Process	3	7	0
Facilities and Building Access	Facilities, Operational, & Compliance	High	Planned	49	49	225
Conflict of Interest (Deferred to FY25 due to policy update)	Compliance & Operational	High	Deferred	-	-	225
Consulting & Advisory						
Consulting & Advisory/ERM	Various	Moderate	Ongoing	6	97	50
Continuous Auditing Analytics						
Payroll	Financial, Operational, Compliance	Moderate	Ongoing	22	88	150
Accounts Payable	Financial, Operational, Compliance	Moderate	Ongoing	55	141	150
EthicsPoint Hotline Monitoring	Various	High	Ongoing	6	32	100
Follow-up on Open Audit Recommendations	Various	Various	Ongoing	2	9	120
Total Project Hours				269	804	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

Non-Project Hours			
Category	Actual Q3 Hours	Actual YTD Hours	Audit Plan Budgeted Hours
Professional Development	18	46	100
Administrative:	233	710	550
Total Administrative Hours	251	756	650

****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

Total Hours **520** **1,560** **2,080**

Audit Recommendations Status- FY2024 Q3

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2020-01-01	Policies and Procedures	Update policies to address financial management requirements including tax status, accounting concepts, record keeping, contract requirements, funding mechanisms and procedures, disbursement controls, agency account and off-campus cash accounts.	Policies will be developed in this area.	The CampusGroups implementation has been taking longer than expected. Work is being done to set up all the components of the new system. We are on track to complete this recommendation by mid-semester.	A Student Organization Finance guide is being developed and be completed by March 2024. Also treasurer training will be offered through a video hosted on the Student Organization Management Software which must be completed when accepting an officer position and should be completed by April 2024.
Dated Issued	2/17/2020	Student Organizations Audit				
Risk Category	Financial					
Risk Level	Low					
Division	Student Experience					
Deadline	8/31/2020					
New Deadline	4/30/2023					
Current Status	CLOSED					
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.	Meeting with Kent State to discuss student bill presentation and script development.	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.
Dated Issued	8/10/2023	Student Billing, Collections, & Accounts Receivable Audit				
Risk Category	Operational					
Risk Level	Medium					
Division	Finance/Business Operations					
Deadline	6/30/2024					
New Deadline						
Current Status	On Schedule					
Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2023-01	Reducing Cash Collections	Consider implementing policies and procedure to further reduce the amount of cash payments collected and processed.	Realizing the inherent risk of collecting and handling cash the Bursar office collaborated with PNC and the Penguin Service Center earlier this year and implemented potential opportunities to reduce cash payments received from students. Continued efforts will be made to further reduce the amount of cash payments collected and processed.	Effective 2/1/2024 the Cashier's Office is no longer accepting cash payments for tuition and room and board. They will still take small cash payments for charges such as transcripts, etc.	Cash payment have been significantly reduced. Cashiers are still taking small amounts of cash for charges such as transcripts, background checks, etc. To assist students, we have partnered with PNC who will bring their mobile banking unit the week before school begins in the fall. The mobile banking unit can open accounts and accept cash with no cash limits.
Dated Issued	8/10/2023	Student Billing, Collections, & Accounts Receivable Audit				
Risk Category	Financial					
Risk Level	Medium					
Division	Finance/Business Operations					
Deadline	2/1/2024					
New Deadline						
Current Status	CLOSED					

Audit Recommendations Status- FY2024 Q3

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.	A work order was created to automate the write-off process prior to the audit. IT created the job and Bursar office is in the process of testing it.	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.
Dated Issued	8/10/2023	Student Billing, Collections, & Accounts Receivable Audit				
Risk Category	Financial, Operational					
Risk Level	Medium					
Division	Finance/Business Operations					
Deadline	12/31/2023					
New Deadline	6/30/2024					
Current Status	Deadline Revised					
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.
Dated Issued	11/17/2023	Banner Access Audit				
Risk Category	IT					
Risk Level	High					
Division	Division of IT, Application Services					
Deadline	6/30/2024					
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 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.
Dated Issued	11/17/2023	Banner Access Audit				
Risk Category	IT					
Risk Level	High					
Division	Division of IT, Application Services					
Deadline	6/30/2024					
New Deadline						
Current Status	On Schedule					

Audit Recommendations Status- FY2024 Q3

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						
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	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
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	Deadline Revised					

Audit Recommendations Status- FY2024 Q3

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	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	ITGC Audit-WEI	YSU managed devices and have			
Risk Level	High		appropriate computer			
Division	Academic Affairs		safeguards. YSU firewall is			
Deadline	12/31/2024		configured to protect university			
New Deadline			resources.			
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	ITGC Audit-WEI				
Risk Level	Medium					
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	ITGC Audit-WEI				
Risk Level	Medium					
Division	Academic Affairs					
Deadline	12/31/2024					
New Deadline						
Current Status	On Schedule					



YOUNGSTOWN STATE UNIVERSITY

One University Plaza, Youngstown, Ohio 44555

Jennifer Pintar, Interim Provost and VP of Academic Affairs
Amy Cossentino, Associate Provost and Dean, Sokolov Honors College
Wim Steelant, Dean, STEM College
Youngstown State University

04/17/2024
Audit #2024-01

Dear Dr. Pintar, Dr. Cossentino, & Dr. Steelant:

Internal Audit has completed an internal control assessment of the key processes related to the Division of Workforce Education and Innovation. 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 Division of Workforce Education and Innovation. During the final phase of the audit, The Division of Workforce Education and Innovation was reorganized under Academic Affairs and is now Workforce Education and Innovation.

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.

Scope and Procedures

The time period covered in the audit was fiscal year 2023 and 2024 to date through January 2024. The audit scope included the operational processes related to the following:

- Revenue and expenditures processes

Office of Internal Audit
330.941.1425

- Supplemental and incentive pay processes
- Research and grant requirements to ensure external funding
- Accurate financial and programmatic reporting
- Policy Awareness

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

- review of applicable university and department policies and procedures
- conducting walkthroughs or processes performed pertaining to Workforce Education and Innovation.
- testing internal controls by review of documentation and related support
- inquiring of Workforce Education and Innovation 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 Workforce Education and Innovation **Require Improvement**.

A **Require Improvement 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,

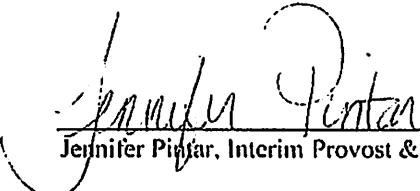


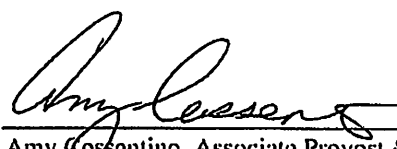
Michelle DiLullo
Staff Auditor, Internal Audit

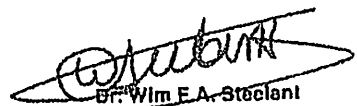
cc: B. Johnson
N. McNally
Audit Subcommittee

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.


Jennifer Pinar, Interim Provost & VP of Academic Affairs
4/15/24
Date


Amy Cossentino, Associate Provost & Dean, Sokolov Honors College
4/16/24
Date


Dr. Wim F.A. Steelant
Dean STEM College - YSU
4/15/2024
Wim Steelant, Dean, STEM College
Date

Workforce Education and Innovation (WEI)
Audit #2024-01
Executive Summary

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 Comments

Audit Comment (Risk Level)	Observation	Recommendation	Management Response
#1 Documented Procedures (High)	Procedures are not documented to ensure transfer of knowledge during staff transitions and	Develop and implement procedures throughout the department to ensure transfer of knowledge.	STEM- WEI: ' SharePoint' folders have been created that contains procedures that pertain to the operations and programs offered in the ETC and/or ITWA. TILT: Development and Implementation of written procedures for TILT and timely expense processing is currently underway and will be completed on a monthly basis.
#2 Reconciliations (High)	A reconciliation processes was not performed to ensure revenues and expenditures recorded within the department correspond and tie to Banner.	Develop and implement a monthly reconciliation process to ensure all revenue is collected and expenditures correspond to Banner.	STEM- WEI: The PI of each grant is the financial manager for their grant. Each financial manager will reconcile their respective grants, monthly. TILT: Yes, will implement for expenditures and revenue. Current source of revenue is from gifts made through the YSU Foundation for endowed accounts.
#3 Billing Process (High)	The billing process does not ensure that registrations fees are accurately and timely billed.	Enhance controls over billing processes to ensure registration fees 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 the paperwork for non-student billing for the workforce classes taught in the ETC in a timely manner.
#4 BOT Financial Reporting (High)	WEI has yet to find a way to produce a relevant financial report that captures the state of WEI in a clear and relevant way.	Develop a standard financial report that can effectively communicate crucial financial information.	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. TILT: Assigned the development of a standard financial report to provide transparency for the financial activities of the TILT.
#5 BOT Programmatic Reporting (High)	Programmatic reporting was not verified or checked for accuracy. KPIS's presented up until the December BOT meeting were not accurate.	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. TILT: Where applicable, will implement number of users (YSU Students) completing badges and provide reports.

#6 Programmatic Reporting for Grants (High)	Supporting documentation for information submitted in grant reports was not properly maintained.	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.
#7 Remote Work (Medium)	Employees were working from home without the proper remote work paperwork on file with HR.	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. TILT: Remote work has been discussed with each employee with approved forms.
#8 Room Reservation System (Medium)	Employees of Workforce Education and Innovation were not utilizing or trained on using the 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. TILT: Staff responsible for utilizing the room reservation system are using the system already or are currently securing permission.
#9 Expense Monitoring (Low)	Invoices were not always submitted for payment in a timely manner. Purchasing guidelines were also violated when purchases were made by an employee other than the cardholder.	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.
#10 PI/FM of Grants (Low)	The Financial Manager and Principal Investigator on grants were not the same causing a disconnect in communication and spending.	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
#11 Policy Awareness (Low)	Most employees in WEI have not completed the policy training. This is not mandatory but strongly encouraged.	Employees of the WEI are encouraged to take the onboarding 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. TILT: Tressel Institute for Leadership & Teamwork staff are current with training associated with campus policies.

Audit Comments - DRAFT
Workforce Education and Innovation
Internal Control Assessment
Audit #2024-01

Audit Comment #1 Documented Procedures (High)

Observation:

Documentation of procedures in Workforce Education and Innovation ensures the transfer of knowledge during staff transitions and is an essential part of succession planning. The department has no written procedures to guide current or new employees.

Recommendation: Develop and implement procedures throughout the department to ensure transfer of knowledge. Implement a recurring, periodic review to make sure the procedures are updated and complete. Some processes that need documented are expense processing, billing, grant reporting, Board of Trustee reporting, and the reconciliation process.

Management Response(STEM- WEI) : 'SharePoint' folders have been created that all employees of the ETC and/or ITWA have access to that contains procedures that pertain to the operations and programs offered in the ETC and/or ITWA.

Implementation Date: 5/1/2024

Management Response (TILT): Development and Implementation of recommendations are as follows:

1. Curation of written procedures for TILT.
2. Timely expense processing is currently underway and will be completed on a monthly basis.
3. At present TILT does not have grants. However, in the future if grant funding is secured, a process for evaluation and reconciliation will be implemented.
4. YSU Board of Trustees reporting will occur as requested.

Implementation Date: 5/1/2024

Audit Comment #2 Reconciliations (High)

Observation:

The process of reconciliation ensures accuracy and validity of financial information. A reconciliation processes was not performed to ensure revenues and expenditures recorded within the department correspond and tie to Banner. If reconciliations are not performed timely, errors or issues may not be detected timely for corrective action.

Recommendation: Develop and implement a monthly reconciliation process to ensure all revenue is recorded and expenditures correspond to Banner. Ensure the process is included in documented procedures (see audit comment #1)

Management Response(STEM- WEI):Previously there was one DWEI financial manager (no longer at YSU) that was responsible for this process, but now, the PI of each grant is the financial manager for their grant. Each financial manager will reconcile their respective grants, monthly.

Implementation Date: 1/24/2024

Management Response (TILT): Yes, will implement for expenditures and revenue. Current source of revenue is from gifts made through the YSU Foundation for endowed accounts.

Implementation Date: 5/1/2024

Audit Comment #3 Billing Process (High)

Observation:

Workforce Education and Innovation provides training to companies' employees and bills companies for employees' registration fees through the University non-student billing. The billing process does not ensure that registrations fees are accurately and timely billed. Supporting documentation of registration fees billed does not readily tie to Banner; adequate documentation from source reports is needed to ensure reconciliation of revenue can be performed as noted in audit comment #2. In addition, a process has not been developed to monitor company billings for timely collection.

Recommendation: Enhance controls over billing processes to ensure registration fees revenues are billed accurately and timely and adequate supporting documentation maintained. Develop procedures to ensure billings are timely collected. Ensure the process is included in documented procedures (see audit comment #1)

Management Response (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 the paperwork for non-student billing for the workforce classes taught in the ETC in a timely manner (during the training class time period or right at the end).

Previous process:

- ETC/ITWA would generate non-student billing paperwork
- ETC/ITWA would send to previous DWEI financial manager for approval
- DWEI financial manager would send to Bursar
- Bursar would create invoice and send back to DWEI financial manager
- DWEI financial manager would send to ETC/ITWA to be emailed to customer

Current Process:

- ETC/ITWA would provide non-student billing paperwork
- ETC/ITWA send paperwork to Bursar
- Bursar creates invoice and sends back to ETC/ITWA to be emailed to customer

Two steps in the process have been eliminated, so the customer is receiving the invoice in a much timelier manner.

Implementation Date: 2/1/2024

Audit Comment #4 Board of Trustees Financial Reporting (High)

Observation:

While all financial data reported to the BOT was pulled from Banner, Workforce Education and Innovation has yet to find a way to produce a relevant financial report that captures the state of Workforce Education in a clear and relevant way.

Recommendation: Develop a standard financial report that can effectively communicate crucial financial information to the Board of Trustees for oversight of Workforce Education and Innovation programs. Ensure the process for preparing the report is included in documented procedures (see audit comment #1)

Management Response (STEM-WEI): As Workforce Education and Innovation is w 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. The Dean of the STEM College is investigating all finances pertaining to the former DWEL and is working on goals and Metrics (KPI's) for every individual integrated unit.

Implementation Date: 5/1/2024

Management Response (TILT): Have assigned the development of a standard financial report to provide transparency for the financial activities of the Tressel Institute for Leadership & Teamwork.

Implementation Date: In process with implementation 5/1/2024

Audit Comment #5 Board of Trustees Programmatic Reporting (High)

Observation:

The programmatic reporting prepared for BOT meetings was not verified or checked for accuracy. The key performance indicators that were presented to the BOT from the inception of the Division of Workforce Education and Innovation up until the December BOT meeting were not verified after being pulled from the student information system. Through investigation the Division of Workforce Education and Innovation learned that the system wasn't pulling KPI numbers as they thought and in some cases actually doubling the number of students and therefore credentials. An audit was performed and a new process developed to verify the correct KPI's are being reported.

Recommendation: Continue develop the new process to verify KPI's and maintain documented support to verify that the programmatic report to the BOT is accurate. Ensure the process is included in documented procedures (see audit comment #1)

Management Response(STEM-WEI): As Workforce Education and Innovation is w 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. The Dean of the STEM College is investigating all programmatic reporting pertaining to the former DWEL and is working on goals and actual metrics (KPI's) for every individual integrated unit.

Implementation Date: 5/1/2024

Management Response (TILT): Where applicable, will implement number of users (YSU Students) completing badges and provide reports. Once, TILT expands to high schools and businesses we will utilize the same process to secure and report information regarding badge completion to report to the YSU BOT.

Implementation Date: 5/1/2024

Audit Comment #6 Programmatic Reporting for Grants (High)

Observation:

Programmatic reporting to grant sponsors is completed by Workforce Education and Innovation. While grant reports were submitted to grant sponsors in accordance with the grant agreements, the supporting documentation for information submitted in the report was not properly maintained. Programmatic numbers could not be verified in most of the samples tested. A process has not been developed to ensure support, including sources of information, for grant reports is consistently and adequately documented and maintained. Grant sponsors may request support to substantiate information reported and if funding could be impacted if it cannot be provided.

Recommendation: Develop and implement a process, such as a standardized grant reporting form, to document for programmatic data and to maintain the sources of the data for easy tracking and reporting to grant sponsors. Ensure the process is included in documented procedures (see audit comment #1)

Management Response (STEM-WEI): Every PI is responsible for timely programmatic reporting. The format of reporting depends on the type of funding agency. 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.

Implementation Date: 1/24/2024

Audit Comment #7 Remote Work (Medium)

Observation:

Employees were working from home without the proper remote work paperwork filled out. The remote paperwork is important for not only knowing where employees are and having a set work schedule but also for tax purposes. Employees have all since filled out remote work paperwork.

Recommendation: Since the remote work forms were filled out before the reorganization of the DWEI, it is recommended that remote work arrangements be reviewed by each employee's current supervisor and updated forms be completed to fit the needs of that particular department.

Management Response (STEM- WEI): The employees working under the Workforce, Education and Innovation (WEI) are now part of the STEM College. The Dean of the STEM College reviewed all Remote Work approvals that

were on file with HR and discussed it with the involved supervisors. All employees are required to follow the HR procedure for remote work.

Implementation Date: 1/24/2024

Management Response (TILT): Remote work has been discussed with each employee with approved forms.

Implementation Date: Any adjustments will take effect 5/1/2024.

Audit Comment #8 Room Reservation System (Medium)

Observation:

Employees of Workforce Education and Innovation were not utilizing or trained on using the room reservation system. Using this system to reserve rooms is important because the YSU police use this system to see where people on campus are, as well as facilities and maintenance.

Recommendation: Utilize the room reservation system for Workforce Education and Innovation events and classes.

Management Response(STEM-WEI): Two employees of the ETC are trained in the banner system and consistently schedule classes/events taking place at the ETC.

Implementation Date: Completed (November 16, 2023, and February 8, 2024)

Management Response (TILT): Staff responsible for utilizing the room reservation system are using the system already or are currently securing permission.

Implementation Date: 5/1/2024

Audit Comment #9 Expense Monitoring (Low)

Observation:

To ensure that invoices are processed, it is crucial that departments forward invoices to Accounts Payable in a timely manner. Workforce Education and Innovation does not always submit invoices for payment in a timely manner resulting in delinquent payments or overrides by A/P to pay the invoice. Also, purchasing guidelines were violated in Workforce Education and Innovation when purchases were made by an employee other than the cardholder. Procedures have not been developed to ensure that expenses are processed in accordance with university guidelines.

Recommendation: Develop and implement controls to ensure expenses are processed in accordance with university guidelines and ensure all Financial Managers have completed training for purchasing cards, travel cards, and eCube. Ensure the controls are included in documented procedures (see audit comment #1)

Management Response(STEM-WEI): The employees working under the Workforce, Education and Innovation (WEI) are now part of the STEM College. 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.

Implementation Date: 1/24/2024

Audit Comment #10 Principal Investigator/Financial Manager of Grants (Low)

Observation:

Grants throughout the university have always had the Principal Investigator also be the Financial Manager of the grant. This was not the case in the Department of Workforce Education and Innovation. The Financial Manager and Principal Investigator were not the same and caused a disconnect in communication and spending on the grant which in turn causes a higher risk of fraud.

Recommendation: The Principal Investigator should also be the Financial Manager on the grant so both spending and project progress is managed by the same person. This will avoid any miscommunication in spending and reporting.

Management Response(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.

Implementation Date: 2/7/2024

Audit Comment #11 Policy Awareness (Low)

Observation:

Most employees in Workforce Education and Innovation have not completed the policy training that is part of the on-boarding process. While this training is not mandatory right now, it is strongly encouraged. This helps educate employees in areas such as student privacy, discrimination and harassment, staff who work with minors, sexual violence, reporting sexual misconduct, protecting children, and recognizing and preventing hazing. These are important issues that employees need to be aware of and will help mitigate risk to the university.

Recommendation: Employees of the Workforce Education and Innovation are encouraged to take the on-boarding training to become more aware of important policies on campus.

Management Response(STEM-WEI): Dean Steelant contacted HR to follow-up on offering (or make available) the onboarding training for the remaining WEI personnel.

Implementation Date: 3/25/2024

Management Response(TILT): Tressel Institute for Leadership & Teamwork staff are current with training associated with campus policies.

Implementation Date: 5/1/2024



**RESOLUTION TO APPROVE
FISCAL YEAR 2025 INTERNAL AUDIT PLAN**

WHEREAS, the approved Audit Subcommittee Charter includes responsibilities of the Audit Subcommittee to review the plans of Internal Audit; and

WHEREAS, the professional standards of the Institute of Internal Auditors require the Internal Audit Plan be approved by the Board; and

WHEREAS, the fiscal year 2025 Internal Audit Plan has been reviewed by the Audit Subcommittee;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of Youngstown State University hereby approves the recommended revised fiscal year 2025 Internal Audit Plan, attached hereto.

**Board of Trustees Meeting
June 7, 2024
YR 2024-**

**YOUNGSTOWN STATE UNIVERSITY
BOARD OF TRUSTEES**

June 6, 2024

Background

APPROVAL OF FISCAL YEAR 2025 INTERNAL AUDIT PLAN

General Information

Per the approved Audit Subcommittee Charter, responsibilities of the Audit Subcommittee include reviewing the plans of Internal Audit.

The Institute of Internal Auditing (IIA) is a self-governing professional body charged with developing professional standards. The professional standards require the Internal Audit Plan be approved by the Board of Trustees. Standard 2020 Communication and Approval states:

The CAE communicates the internal audit activity's plans and resource requirements, including significant interim changes, to senior management and the board for review and approval.

Alternatives and Consequences

If the fiscal year 2025 Internal Audit Plan is not approved, there is a risk that the Internal Audit function will not be in conformance with this requirement of the IIA professional standards.

Specific Recommendation

It is recommended that the fiscal year 2025 Internal Audit Plan be recommended for approval by the Audit Subcommittee and the full Board of Trustees.

Timetable and Action Required

Approval by the Board of Trustees is requested at its meeting on June 6, 2024.

Youngstown State University
Proposed Internal Audit Plan
Fiscal Year 2025

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Projects					
Current Year Audits:					
Project Area	Scope	Objectives	Risk & Risk Category	Audit Risk Rating	Total Budget Hours
Conflict of Interest	Procedures and controls related to conflict of interest policy and annual disclosure statements; review standard and documented vendor selection and hiring processes	Provide assurance that framework exists to support effective management of conflict of interest and controls are applied to ensure compliance with conflict of interest in hiring vendor relationships	Instances of corruption, loss of instructional resources, improper vendor selection, inappropriate purchases and hiring decisions, and reputational risk Operational & Compliance	High	250
International Programs Office	Procedures and controls related to International enrollment and International Student and Scholar Services	Ensure compliance with federal law and university policies related to the enrollment and support services provided to international students	Noncompliance with policies and procedures; inadequate and/or ineffectiveness of operational controls. Operational & Compliance	High	250
Auxiliary-Athletics Ticket Office	Procedure and controls related to Athletics Ticket Office operations, including ticket sales, cash management, security, & complimentary tickets procedures.	Provide assurance that proper procedures and controls are present and operating effectively in the athletic ticket office.	Ineffective cash management, inaccurate reporting of accounts receivable, inadequate security, noncompliance with complimentary ticket procedures. Financial, Operational & Compliance	High	250
KSU- Divisional IT Application Risk Assessment: Student Affairs and Institutional Effectiveness	Risk assessment of various systems/IT applications used in the Division of Student Affairs and Institutional Effectiveness	Identify and evaluate operating risks in IT applications, compile and prioritize IT applications based on identified risks, determine future IT General Controls (ITGC) audits for applications	IT controls not in place to address vulnerabilities and threats in IT applications IT & Compliance	High	25
Total Current Year Audit					775
Continued from Prior Year:					
Project Area	Scope	Objectives	Risk & Risk Category	Audit Risk Rating	Total Budget Hours
Inventory Control	Procedures and controls related to physical inventory tracking and management	Procedure and controls are present, efficient, and working effectively to ensure accurate records, optimize inventory management, improve financial performance, and prevent theft	Improper safeguarding of assets, inaccurate inventory records Financial, Operational, & Compliance	High	75
Total Continued Prior Year					75
Consulting & Advisory:					
Project Area	Scope	Objectives	Risk & Risk Category	Audit Risk Rating	Total Budget Hours
Consulting & Advisory	Consulting/advisory assistance with other projects, including FY24 Enterprise Risk Management	Assist in evaluating the severity and probability of emerging risks on campus. Monitor compliance within the Enterprise Risk Assessment Mitigation Plan.	Internal controls not properly designed, developed, or implemented, and internal control gaps not identified Various	Medium	100
Total Consulting & Advisory					100

Youngstown State University
Proposed Internal Audit Plan
Fiscal Year 2025

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Projects Continued					
Continuous Auditing and Follow-up on Open Audit Recommendations:					
Project Area	Scope	Objectives	Risk & Risk Category	Audit Risk Rating	Total Budget Hours
Continuous Auditing - Analytics - Payroll	Quarterly continuous auditing	Analysis of quarterly payroll data to ensure operating effectiveness of internal controls	Fraud and errors related to payroll	High	120
			Financial		
Continuous Auditing - Analytics- A/P	Quarterly continuous auditing	Analysis of quarterly payables data to ensure operating effectiveness of internal controls	Fraud and errors related to payables	High	120
			Financial		
Hotline Monitoring	Ongoing monitoring of hotline reports	Assess risk level and quality of hotline reports; ensure timely follow-up of reports as deemed necessary	Fraud/unethical conduct	TBD	70
			Various		
Follow-up on Open Audit Recommendations	Follow-up on management's corrective actions plans to address audit recommendations from previously issued audit reports	Validate corrective actions implemented to ensure audit findings are adequately and timely addressed	Corrective action plans not implemented to address risks from control gaps identified in previous audits	Various	70
			Various - Financial, Operational, Compliance		
Total Continuous Auditing & Follow-up on Open Audit Recommendations					380
Total Project					1330
Non-Project Hours					
Category	Description				Total Budget Hours
Professional Development	Webinars, seminars, workshops, etc. to develop knowledge and skills in relevant to audit, higher education and related risk topics; also fulfill university training requirements for employees				50
Administrative	Planning, audit risk assessment, Audit & Compliance Committee prep, meetings and other time (vacation, sick, holiday)				700
Total Non-Project					750
Total Hours					2080