



**YOUNGSTOWN
STATE
UNIVERSITY**

**BOARD OF TRUSTEES
AUDIT SUBCOMMITTEE
Michael A. Peterson, Chair
Molly S. Seals, Vice Chair
Laura A. Lyden
Anita A. Hackstedde
Joseph J. Kerola**

**Tuesday, September 20, 2022
11:00 a.m. or immediately following
previous meeting**

**Board Room
Tod Hall**

AGENDA

- A. Disposition of Minutes for Meeting Held June 22, 2022**
- B. Old Business**
- C. Subcommittee Items**

1. Action Item

- C.1.a. = Tab 1 a. Resolution to Approve the Selection of a Staff Auditor in the Office of Internal Audit**
Neal McNally, Vice President for Finance and Business Operations, will report.

2. Discussion Items

- C.2.a. = Tab 2 a. Anonymous Reporting Hotline Stats Update**
Michelle DiLullo, Staff Auditor, will report.

- C.2.b. = Tab 3 b. 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.2.c. = Tab 4 c. Update on Enterprise Risk Management**
Neal McNally, Vice President for Finance and Business Operations, will report.

- d. Update on GASB Statement 87**
Katrena Davidson, Associate Vice President of Finance and Controller, will report.

- D. New Business**
- E. Adjournment**



**YOUNGSTOWN
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**RESOLUTION TO APPROVE THE
SELECTION OF A STAFF AUDITOR
IN THE OFFICE OF INTERNAL AUDIT**

WHEREAS, the University employs an internal auditor to ensure an environment of managed risk, sound internal controls, and best business practices to serve students, faculty and staff; and

WHEREAS, the position of staff auditor became vacant in January 2022 when the previous incumbent transferred to another position at the University; and

WHEREAS, the charter for the Audit Subcommittee of the Board of Trustees stipulates that the Audit Subcommittee is responsible for the appointment and oversight of the University's internal auditor; and

WHEREAS, the Audit Subcommittee has interviewed qualified candidates who applied for the position of staff auditor.

NOW, THEREFORE, BE IT RESOLVED, that the Audit Subcommittee does hereby select Ms. Michelle DiLullo as the University's internal auditor, effective August 16, 2022;

BE IT FURTHER RESOLVED, that the Audit Subcommittee recommends that Ms. DiLullo's appointment as staff auditor be approved by the Board of Trustees in accordance with University policy 3356-7-42.

**Board of Trustees Meeting
September 21, 2022
YR 2023-**

Michelle DiLullo

SKILLS

- Excellent math skills, with attention to detail and accuracy
- Strong sense of confidentiality, integrity, and transparency
- Exceptional organizational skills and the ability to manage many tasks at once
- Proficient in Microsoft Excel, Microsoft Outlook, and Quickbooks

EXPERIENCE

Torque Drives, Youngstown - *General Accountant (FEB 2019-MAY 2021)*

- Invoicing customers
- Paying vendors
- Billing customers
- Processing customer payments
- Balancing bank account against general ledger
- Contacting customers for past due payments
- Keep track of orders from start to finish
- Entering and updating customer information
- General office work such as filing and answering phones
- Proficient in Profit 21
- Proficient in Microsoft Office

RELEVANT EXPERIENCE/VOLUNTEERING

Treasurer for Poland Baseball Travel Team - (2017-2018)

- Organized and tracked the players individual fundraising accounts in Microsoft Excel
- Managed payments for all baseball tournaments and umpires
- Headed several fundraisers and collected the money for them
- Responsible for ordering team uniforms

Treasurer for 8th Grade Field Trip to Washington DC - (2015-2016)

- Organized and managed student fundraising accounts using Microsoft Excel
- Collected payments from students and parents
- Responsible for paying vendors
- Issued refunds if the student fundraised over the cost of the trip

Girl Scout Troop Leader - (2008-2013)

- Planned cookie sales and collect money from cookie sales
- Led bi- monthly meetings for 20 Girl Scouts and planned patch earning lessons
- Planned trip to Chicago financed by cookie sales
- Organized field trips and service projects

Home and School President - (2010)

- Organized and led, Reverse Raffle, Night at the Races, and Family Carnival Events
- Consistently communicated with Vice President, Secretary, and Treasurer
- Prepared agendas and directed monthly meetings

EDUCATION

Bachelor of Science in Accounting -Youngstown State University (2002)

Michelle DiLullo

To Whom It May Concern,

I wish to apply for the accounting/bookkeeping position. Please find my enclosed resume for your consideration.

As you can see from my resume, I graduated from Youngstown State University with a degree in Accounting. In addition, I kept my skills current by volunteering for several organizations in which I used my accounting, organizational, and leadership skills.

I stepped away from the workforce to raise a family. However, I feel determined to resume my career and take on new challenges.

During my professional break I have done my best to refresh my skills by recently completing courses in Quickbooks, Microsoft Excel, Microsoft Outlook, and bookkeeping.

I have spent the last two years working to gather on the job experience and now I feel ready for a new challenge.

I am confident that I am a great fit for your company. Thank you for your time and consideration. I look forward to meeting with you to discuss my application further.

Sincerely,

Michelle DiLullo

YSU Anonymous Reporting Hotline
Aggregated Statistics
 Fiscal Year 2022 Quarter 4

Hotline Activity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year To Date Total
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Reports received	1	2	2	5	10
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Closed					
Unsubstantiated/insufficient information	-	-	-	-	-
Process enhancements noted	-	-	-	-	-
Investigation	1	-	1	-	2
Referred	-	1	1	5	7
Total Closed	1	1	3	5	10

Under review at quarter end	0	1	0	0	
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Reporting Method	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year To Date Total
Ethicspoint Phone	-	-	2	1	3
Ethicspoint Website	1	2	-	4	7
Total:	1	2	2	5	10

Reporter Anonymity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year To Date Total
Anonymous	1	2	1	5	9
Not anonymous	-	-	1	-	1
Total:	1	2	2	5	10

AUDIT RECOMMENDATIONS STATUS - FY2022 Q4

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2018-02-05	Principal Investigator Communication And Training	Develop formal, ongoing periodic training for PI's and potential PI's that is aligned with funding agency guidelines. Ensure required trainings are monitored for completion.	Management believes that the audit items can be substantially addressed as a result of the hiring a new Director of Research, Compliance and Initiatives (Dr. Van Slambrouck) and the implementation of an ERA system. Pertinent tasks planned include: 1) Develop training materials on the use of the ERA software and establish procedures for proposal development and submission, consistent with relevant requirements. 2) Develop training videos which meet the scheduling needs of faculty, staff and students. 3) Develop a recordkeeping process within the ERA software for monitoring training.	ERA System training has been primary focus. Additionally, advancements made on ORS website to include training materials for specific areas. This is an ongoing task that will extend well into FY 22 and future years.	This task will extend well into FY23 and later with the implementation of the newer ERA system currently being developed and tested by the Vendor. Sponsor specific training materials are available on the ORS website and periodically updated.
Dated Issued	2/11/2019	-----				
Risk Category	Research	Research Compliance Audit				
Risk Level	Moderate					
Division	Academic Affairs					
Deadline	1/21/2020					
New Deadline	3/31/2023					
Current Status	Deadline Revised					
Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2018-02-10	Pre-Approval Of Travel Expenses Charged To Grants	Include Grants Accounting in the Concur automated approval workflow routing for expenses charged to grant funds.	Grants Accounting understands the desire to automate workflow approvals in Concur rather than relying on manual routing. We are exploring the use of automated workflows for travel reimbursements in Concur.	Position was vacant for extended period. New staff in place. This matter is being researched and analyzed to determine appropriate corrective actions.	Automated workflows of travel reports to Grants Accounting has been implemented.
Dated Issued	2/11/2019	-----				
Risk Category	Financial	Research Compliance Audit				
Risk Level	Low					
Division	Finance/Business Operations					
Deadline	1/1/2020					
New Deadline	6/30/2022					
Current Status	Pending Validation					
Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2018-02-11	Electronic Research Administration System	Develop a formal implementation plan for the ERA system software to enable appropriate oversight and management of the project.	A viable ERA system was identified and purchased. However, the vendor went out of business, rendering the selected platform impractical. The Office of Research has begun the process of evaluating alternative systems and a potential ERA system has been identified. The procurement of the system is expected in 1st quarter 2020 and implementation will follow.	System has been purchased and is being utilized by a limited number of users. There are still some issues that are being addressed. Wide distribution delayed while known issues are addressed.	Still using current system (SmartGrant). The vendor is working on a completely new system to fix the issues that the purchased system was having. Expected availability for implementation ranges from 6 months to a year.
Dated Issued	2/11/2019	-----				
Risk Category	Research	Research Compliance Audit				
Risk Level	Low					
Division	Academic Affairs					
Deadline	7/31/2020					
New Deadline	3/31/2023					
Current Status	Deadline Revised					

AUDIT RECOMMENDATIONS STATUS - FY2022 Q4

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.	Policies have been drafted and were introduced at the Student Leadership Retreat on Friday, January 7.	Financial management policies have been drafted for inclusion in the Student Organization policies and guidelines. Implementation to organization leaders and integration into website and student guidelines expected by Jan. 2023.
Dated Issued	2/17/2020	-----				
Risk Category	Financial	Student Organizations Audit				
Risk Level	Low					
Division	Student Experience					
Deadline	8/31/2020					
New Deadline	1/31/2023					
Current Status	Deadline Revised					
Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2020-01-02	Training Oversight	Improve student organization training and oversight of training compliance.	Will review and update training delivery methods and subject matter as will as monitoring compliance with training requirements.	Procedures have been developed and will be Implemented with the Student Leadership Retreat on Friday, January 7. Monitoring processes effective Spring semester 2022.	New measures have been put in place to track attendance to mandatory training sessions. Organizations are required to attend these sessions in order to apply for use of University funds through SGA. A financial management session has been added as a standard component. A Coordinator of Student Involvement was hired and is directly responsible for working with student organizations to ensure compliance with policies. An online module is being developed to expand the availability of training.
Dated Issued	2/17/2020	-----				
Risk Category	Academic Affairs	Student Organizations Audit				
Risk Level	Low					
Division	Student Experience					
Deadline	8/31/2020					
New Deadline	6/30/2022					
Current Status	Pending Validation					
Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2020-01-03	Activity Management	Review and update policies, clarify roles and responsibilities and reinforce training related to use of campus space.	Will review and update policies regarding use of space and provide updates to students, advisors and reservationists.	Website has been updated and new policies presented at Student Leadership Retreat on Friday, January 7.	A session reviewing university reservation processes is offered in each Student Leadership Summit and Retreat. A restructuring within Student Experience resulted in Student Organization Management falling under the Student Union. This will streamline the connection between organization registration and reservations. Campus adoption of 25Live will streamline reservation processes for all academic spaces.
Dated Issued	2/17/2020	-----				
Risk Category	Academic Affairs	Student Organizations Audit				
Risk Level	Low					
Division	Student Experience					
Deadline	8/31/2020					
New Deadline	6/30/2022					
Current Status	Pending Validation					

AUDIT RECOMMENDATIONS STATUS - FY2022 Q4

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2020-01-04	Travel Management	Clarify roles and responsibilities, reinforce training and modify record retention with regard to student organization travel.	Will clarify roles, enhance training and retain student travel records for three years.	Procedures have been updated and department staff trained on these requirements. However, additional follow-up taking place to ensure best practices and consistency.	A student travel session is mandatory training for every Student Organization. Additionally, an email about student travel policies and processes is sent to student organization officers each fall. Student Activities and Campus Recreation have met with Procurement and Travel Services on a regular basis to discuss student travel processes. Student Organization travel records are now maintained for three years.
Dated Issued	2/17/2020	Student Organizations Audit				
Risk Category	Academic Affairs					
Risk Level	Low					
Division	Student Experience					
Deadline	8/31/2020					
New Deadline	6/30/2022					
Current Status	Pending Validation					
Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2020-01-05	Cash Account Signers And Cash Handling	Clarify roles and responsibilities and monitor compliance with policies related to cash account signers.	Working to bring all organizations into compliance. Will communicate with advisors regarding this policy. Also additional training and policy development in this area. Will develop component of annual registration to document compliance with account signatory policies.	Information has been added to the advisor appointment letter and is included in newly developed financial policy. Student Involvement Coordinator working to incorporate financial account review and signature authority verification into organization reregistration processes for 2022-23.	The Coordinator for Student Involvement works closely with each student organization during the registration process to transition officers from year to year, and provides appropriate verification to PNC Bank to support appropriate signature authority and fund access for student organization accounts. During this process, the Coordinator verifies that Advisors are not added as signature authorities on accounts.
Dated Issued	2/17/2020	Student Organization Audit				
Risk Category	Financial					
Risk Level	Low					
Division	Student Experience					
Deadline	8/31/2020					
New Deadline	8/31/2022					
Current Status	Pending Validation					
Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2021-01-03	Monitoring Compliance With YSU Policies	Enhance compliance with YSU policies via training processes and review and approval of Rich Center specific policies and procedures.	Rich Center Autism (RCA) administration will review current policies and procedures, identify deficiencies and seek YSU BOT approval for Rich Center specific policies and procedures.	Draft documents have been submitted to IA and HR. Pending consultation and approval by HR.	Multiple training sessions have occurred between the Rich Center and The Controller's Office. Employee policies have been developed with the guidance of HR, to ensure compliance with YSU policy.
Dated Issued	9/30/2020	Rich Center				
Risk Category	Human Resources					
Risk Level	Moderate					
Division	Academic Affairs					
Deadline	7/31/2021					
New Deadline	12/31/2022					
Current Status	Pending Validation					

AUDIT RECOMMENDATIONS STATUS - FY2022 Q4

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2021-01-05	Fiscal Practices And External Reporting	Develop policies and procedures and train staff in order to enhance fiscal practices and external reporting of the Friends of the Rich Center.	Procedures will be developed to address fiscal and reporting matters.		External Reporting procedures have been developed between Friends of the Rich Center and YSU. The Controller's Office receives monthly reports. Policies and procedures have been developed to enhance fiscal practices.
Dated Issued	9/30/2020	Friends Of Rich Center				
Risk Category		-----				
Risk Level	N/A	Rich Center				
Division	University Relations					
Deadline	6/30/2022					
New Deadline	12/31/2022					
Current Status	Pending Validation					
Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2021-02-04	Restricted Giving Within University And Affiliated Organizations	Current procedures and communication mechanisms need to be reassessed and evaluated in order to ensure that individuals throughout the university have the training and necessary information to administer restricted giving, use of restricted funds and relationships with donors in an effective and efficient manner.	Work group has been convened. This group will include representatives from University and Foundation. The group will assess and evaluate training, communication and adherence to procedures for the purpose of ensuring continued effectiveness, improving efficiency and establishing best practices.		Significant progress has been made; but due to staff turnovers in the Controller's Office, including the Gifts Coordinator position, the pace has been slower than anticipated. Based on operational risk, the Special Assistant to the AVP of Finance & Controller has been assigned to lead this project to ensure that progress continues. In addition, effective Sept. 1, 2022 the Gifts Coordinator position will once again be filled and extensive training will begin.
Dated Issued	7/29/2021	-----				
Risk Category	Financial	Donor Restricted Funds				
Risk Level	Low					
Division	Finance and Business Operations					
Deadline	7/31/2022					
New Deadline	12/31/2022					
Current Status	Deadline Revised					
Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2022-Adv-01	Noncompliance In Travel Policy Updates	Management should review travel guidelines and consider the need to update these guidelines to provide specific direction to employees regarding University travel and related use of affinity programs.	Management is responsive to the need for specific direction on University travel and related use of affinity programs. Updated guidelines will be developed.		Travel Guidelines currently address the Ohio Ethic Commission prohibition on airline rewards, but are silent with regard to hotel rewards (other than no reimbursement for expenses paid via points. Language addressing hotel rewards and other affinity programs will be incorporated into the next Travel Guidelines update scheduled for January 1, 2023.
Dated Issued	1/15/2000	-----				
Risk Category	Financial	Advisory/Travel				
Risk Level	Moderate					
Division	Finance and Business Operations					
Deadline	12/31/2022					
New Deadline	2/28/2023					
Current Status	Deadline Revised					

AUDIT RECOMMENDATIONS STATUS - FY2022 Q4

Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2022-Adv-02	Noncompliance In Travel Employee Training	Management should ensure that faculty and staff are adequately trained regarding travel guidelines.	Travel Guidelines were revised February 1, 2021 and training developed and implemented in March 2021, prior to this recommendation being made in December of 2021.		Language addressing hotel rewards and other affinity programs will be incorporated into the next Travel Guidelines and Training Material update scheduled for January 1, 2023. A communication will go out to Campus which will include a recap of any revisions made and will also include links to the revised Travel Guidelines and the Travel Training Site on Blackboard.
Dated Issued	1/15/2022	-----				
Risk Category	Financial	Advisory/Travel				
Risk Level	Low					
Division	Finance and Business Operations					
Deadline	12/31/2022					
New Deadline	2/28/2023					
Current Status	Deadline Revised					
Audit	Info	Recommendation Name	Summary of Recommendation	Summary of Original Response	Prior Status Comment	Current Status Comment
Audit #	2022-Adv-04	Police - Outside Employment	YSU Police staff should be trained regarding proper disclosure of outside employment arrangements and relevant Board policies which prohibit use of YSU equipment (uniforms) when conducting outside employment.	Chief Varso and the YSU Police Department are committed to educating Police Dept. staff on Board Policies concerning outside employment and the use of YSU equipment. Also, Chief Varso agrees with the need for a Conflict of Interest Certification Form.		A special order was issued by Chief Shawn Varso in which the YSU Police staff were to review Policies: 3356-7-01, 3356-4-19 and 3356-7-34. Also, each employee of the YSU Police Dept. will complete a Conflict of Interest Certification Form to be submitted at the beginning of any outside employment or at the beginning of the Academic Year in the Fall.
Dated Issued	1/15/2022	-----				
Risk Category	Risk & Safety	Advisory-Police				
Risk Level	Moderate					
Division	University Relations					
Deadline	8/31/2022					
New Deadline						
Current Status	Pending Validation					

Enterprise Risk Management

Enterprise Risk Management (ERM) is a process applied strategically across an organization to identify potential events (risks) that may adversely affect the entity and to proactively and continuously manage those risks in a manner consistent with its mission and goals.

The objective is to promote and create a risk aware culture, and by doing so improve the capability to collaboratively identify, quantify, and manage risks associated with opportunity.

Traditional Risk Management vs. Enterprise Risk Management

Fragmented	Integrated
Negative	Positive
Reactive	Proactive
Ad hoc	Continuous
Historical-looking	Forward-looking
Cost-based	Value-based
Narrowly-focused	Broadly-focused
Risk Silos	Systematic
Functionally- driven	Process- driven

Risk Categories: Strategic, Compliance, Operational, Technological, Financial, Reputational

ERM Process

Identify: Risk Assessment (What keeps you up at night?).

Analyze and Prioritize: Evaluate and systematically rank each risk. Identify the management controls in place. Risk is assessed on two dimensions: Probability and Severity.

Mitigate: Risk owner/Risk Leader is identified and controls are put in place.

Monitor: Controls are reviewed, accepted or suggestions made, and the risk is monitored. An element of monitoring is evaluating risk control effectiveness: Internal Audit.

Role of Internal Audit, in regards to risk management, is to evaluate the effectiveness of control policies and procedures related to specific risks. Provide advice and challenge or support management's decision making.

Communicate: Transparency

Risk Aware Culture + Addressing Risk Holistically = Organized Uncertainty.