

# Youngstown

STATE UNIVERSITY

**BOARD OF TRUSTEES  
AUDIT SUBCOMMITTEE  
Leonard D. Schiavone, Chair  
David C. Deibel, Vice Chair  
James B. Greene  
John R. Jakubek  
Eric A. Shehadi  
Sudershan K. Garg, *Ex-Officio*  
Ikram Khawaja, *Ex-Officio***

**Tuesday, June 3, 2014  
2:00 p.m. or immediately following  
previous meeting**

**Tod Hall  
Board Meeting Room**

## **AGENDA**

- A. Disposition of Minutes for Meeting Held February 20, 2014**
- B. Old Business**
- C. Subcommittee Item**
  - 1. Discussion Items**
    - a. Internal Audit Report on Segregation of Duties** **Tab 1**  
Packer Thomas will report.
    - b. Report on Events Management and Unrelated Business Income Tax** **Tab 2**  
Packer Thomas will report.
    - c. Request for Proposals for Internal Audit Services** **Tab 3**  
Neal McNally, Interim Vice President for Finance and Administration, will report.
    - d. Executive Summaries for Strategic Plan Cornerstones** **Tab 4**  
Cornerstone Chairs: Ball, DePoy, Fahey and McNally, will report.
- D. New Business**
- E. Adjournment**

**AGENDA ITEM: C.1.a.**

**AGENDA TOPIC:** Internal Audit Report on Segregation of Duties

**CONTACT(S):** Representatives from Packer Thomas

**BACKGROUND:** An audit of Segregation of Duties within the payroll, Sciquest requisition, and IT processes was recently completed by Packer Thomas.

**SUMMARY AND ANALYSIS:** The purpose of a segregation of duties review is to gain a general understanding of the key steps within a business process and determine whether access is assigned to individuals within that process to achieve segregation of duties. The concept of segregation of duties is to separate key responsibilities within each business process so that, ideally, no individual employee should handle more than one of the key functions in a process. Maximizing segregation of duties strengthens internal controls, which may deter and prevent employee fraud. Our audit included a review of payroll processing, Sciquest requisitions, and implementing a programming change. We identified key steps within each process and reviewed the assigned Banner privileges to determine if access is assigned to create segregation of duties.

From our inquiry and Banner access review, it was discovered that there a lack of segregation of duties within the process of entering and/or modifying the permanent employee file, which includes payroll and benefit information. This increases the risk of errors or fraudulent activity regarding the set up and payment of an employee. We recommend that an individual be assigned to verify that all additions and changes to the employee master file are authorized. This individual should not have access to make entries into the employee master file.

From our interviews and review of Banner security tables, it was discovered that there is a lack of segregation of duties for manual payroll time entries. There are employees who have the ability to enter manual time entries without additional approval or verification. This lack of segregation of duties increases the risk that incorrect or fraudulent paychecks may be issued. Manual time entries should be tracked and an individual should be assigned to confirm the validity of all manual time entries. This individual should not have access to create a manual time entry.

A review of the Banner assigned access rights for the payroll process revealed that the Associate Controller has access to all steps of the payroll process, updating the employee master file, entering hours, processing payroll, printing payroll checks, processing and printing manual checks, receiving and recording the payroll register, reconciling the payroll account, and making general ledger adjustments. In addition, she has access to the check stock, which is kept in locked storage. This lack of segregation of duties across the payroll process, results in an increased risk for fraudulent activity. Some of her access privileges should be removed, as appropriate to her job functions, in order to minimize the risk.

There are 4 individuals with the ability to process/calculate payroll. Of these individuals, they all have ability to generate paychecks and add/approve hours, and 3 have access to record payroll in the general ledger and the ability to make general ledger entries. This lack of segregation within the process of generating the payroll creates and increased risk of error or fraud within a




paycheck or payroll. We recommend a review of the workflow steps from running (calculating) the payroll through the financial recording of the payroll and reassign rights in the system to maximize segregation of duties.

An examination of the assigned Banner tables revealed that there is lack of segregation of duties with the manual (off-cycle) check process. There are individuals who can print manual checks and who have access to the check stock. An individual who has the ability to generate a manual (off-cycle) check should not have access to the check stock.

In our audit of IT General Controls dated January 28, 2014, it was discovered that there is a lack of segregation of duties within IT because programmers have access to make changes directly to the Finance database. This creates a risk to data integrity. Programmer access has since been reviewed by the IT department and inappropriate access has been terminated. Access is now restricted to database administrators and individuals with department budgeting responsibilities, thereby increasing the integrity of the internal control structure.

**RESOLUTION: N/A – DISCUSSION ITEM ONLY**

**REVIEWED AS TO FORM AND CONTENT:**

  
\_\_\_\_\_  
Ikram Khawaja, Interim President



**SEGREGATION OF DUTIES  
IN PAYROLL, PURCHASING  
AND INFORMATION  
TECHNOLOGY  
INTERNAL AUDIT REPORT**

April 28, 2014

DISTRIBUTION

Audit Subcommittee: Mr. Leonard D. Schiavone, Chair  
Mr. David C. Deibel, Vice Chair  
Mr. James B. Greene  
Dr. John R. Jakubek

Chairman of the  
Board of Trustees: Dr. Sudershan K. Garg

Management: Dr. Ikram Khawaja  
Mr. Neal McNally  
Ms. Katrena Davidson  
Mr. Ken Schindler



**PACKER · THOMAS**

Certified Public Accountants & Business Consultants

**PROVEN TRUE.**

# YOUNGSTOWN STATE UNIVERSITY

## SEGREGATION OF DUTIES IN PAYROLL, PURCHASING AND INFORMATION TECHNOLOGY INTERNAL AUDIT REPORT

### CONTENTS

Cover Letter	3
Overview	4
Audit Findings & Recommendations - Requiring Immediate Action	5-9





Youngstown State University  
One University Plaza  
Youngstown, Ohio 44555

This report summarizes the results of our internal audit of the University's controls surrounding segregation of duties within the Banner and SciQuest systems for the payroll, purchasing, and IT processes. Please review this report. If you have any questions, please call us at (330) 533-9777.

Management has provided their responses to our findings and those responses are included within this report.

We wish to thank the staff of the human resource, finance and IT departments for the cooperation that was extended to us during the course of this audit.

PACKER THOMAS  
April 28, 2014

6601 Westford Place  
Suite 101  
Canfield, OH  
44406

330-533-9777  
1-800-943-4278  
Fax: 330-533-1734  
[www.packerthomas.com](http://www.packerthomas.com)



OVERVIEW

An audit of the University’s controls surrounding segregation of duties within the Banner and SciQuest systems for the payroll, purchasing, and IT processes for 2014 was recently completed by Packer Thomas. Our procedures were performed as a result of the internal audit risk assessment which was approved by the Audit Subcommittee.

The objective of our audit was to obtain and document the system rights assigned to individuals within the processes listed above in order to determine the adequacy of the internal controls regarding segregation of duties within the Banner and SciQuest systems.

Segregation of duties is one of the key concepts of internal controls and also one of the most effective internal controls in combating employee fraud. Segregation of duties contributes to an organization’s system of checks and balances. The concept of segregation of duties is to separate key responsibilities within each business process so that, ideally, no individual employee should handle more than one of the key functions in a process. When an organization separates these functions among its employees, it has implemented a strong internal control, which may deter and prevent employee fraud. When duties cannot be segregated, compensating controls should be considered.

Our consideration of internal controls involved assessing the effectiveness and existence of proper segregation of duties for the following functions:

- Payroll process ~ from entry of a new employee through financial recording of payroll data
- SciQuest supply requisitions ~ from creation of a requisition to the fulfillment of the order
- IT programming modifications

The procedures performed during our internal audit included interviews with staffs of the human resource, finance, and IT department, and reviews of system data. It should be noted that our review of the assignment of system rights with regards to segregation of duties would not necessarily identify all deficiencies or inefficiencies. However, we listed a summary of findings and have made recommendations for improvements based upon the weaknesses reported.



“In the long run, if you don’t put ethics before profits, there won’t be a long-run.”



AUDIT FINDINGS & RECOMMENDATIONS - REQUIRING IMMEDIATE ACTION

1. There are fifteen employees who have access in Banner to make changes and approve changes to the employee master file, including adding a new employee and adding or updating salary information. There is a lack of segregation of duties between the employees who can update the master file and the employee(s) approving the changes. Although there is a 'new hire' report automatically run via computer services, and various exception reports run and reviewed by the employee processing manager to identify missing or incomplete data, there is no evidence of a procedure in place to ensure that new additions and changes to the employee master file are confirmed as being authorized. This lack of segregation of duties without compensating controls weakens internal control and gives way to opportunity for fraudulent activity. Once a salaried employee has been entered into Banner, a paycheck is generated automatically on cycle based upon the input to the master file.

Any person who has the ability to modify the employee master file should not have the ability to approve those changes. In the event that the Banner system cannot be configured to separate these steps, an employee should be responsible to review all changes to the employee master file and confirm that they are authorized. Currently, there is a written authorization document given to the employee processing department for input and then passed on to Human Resources for filing in the employee's file. A duplicate copy of the written authorization form could be given to an employee to compare against changes made to the employee master files and confirm that all changes have corresponding approval documentation. This individual should not have the ability to make changes to the master file. This will mitigate the risk of unauthorized changes to an employee master payroll file.

MANAGEMENT RESPONSE

The Employee Processing Center (EPC) in the Human Resource (HR) department is responsible to enter employee information into the Banner employee master file based on approved source documentation. The Banner system cannot separate the ability to update the master file and the ability to approve changes to the master file, nor is it feasible to have an employee review all changes. HR is however in the process of implementing an electronic workflow to segregate these functions with expected implementation commencing December 2014. Currently, as a compensating control in addition to the new hire report, the EPC Manager will



"In the long run, if you don't put ethics before profits, there won't be a long-run."



AUDIT FINDINGS & RECOMMENDATIONS - REQUIRING IMMEDIATE ACTION (CONTINUED)

continue to review exception reports to identify irregularities and incomplete data. In addition, the number of employees with access to the master file has been reduced.

2. There is a lack of segregation of duties within the process of entering hours/time for payroll and the approval of payroll hours. Although the majority of hourly timesheets are input and generated automatically on the “self-service” Banner system and are electronically approved by a supervisor, there are 10 individuals who have privileges to enter and approve time “manually” (i.e. directly into Banner payroll). This lack of segregation of duties within the time sheet process creates an increased risk of fraudulent activity and weakens the internal control structure.

A person with the ability to enter time into Banner should not have the ability to approve the time entry. If it is not possible to separate these steps within Banner, the number of individuals with access to this privilege should be reduced and any manual time entries should be reviewed by another individual who does not have the ability to make time entries.

MANAGEMENT RESPONSE

The Payroll Department, based on approved source documentation, is responsible to enter hours/time for the minority of hourly timesheets that were not electronically processed through self-service Banner. As a compensating control, a report will be developed to identify any hours manually entered. This report will be compared to the source documents by a different individual than the individual entering from the source document. Also, the Banner HR/Payroll security role classes were reviewed and the number of individuals with both duties has been reduced and segregated.

3. The Associate Controller has Banner privileges for all steps in the payroll processing. It appears that she was granted some of these rights during a time period when another position was not filled and she was covering other steps in the process besides her own job responsibilities. Her privileges include: updating the employee master file, entering hours, processing payroll, printing payroll checks, processing and printing manual checks, receiving and recording the payroll register, reconciling the payroll account, and making general ledger adjustments. In addition, she has access to the check stock, which is kept in locked storage. This lack of segregation of duties creates an increased risk for fraudulent activity.



“In the long run, if you don’t put ethics before profits, there won’t be a long-run.”

AUDIT FINDINGS & RECOMMENDATIONS - REQUIRING IMMEDIATE ACTION (CONTINUED)

It is understandable that a high level employee may need increased access to the system, however the ability to access all parts of the payroll system creates a high risk to internal control. We recommend a review of her job responsibilities and a deactivation of some of the rights within the payroll process in order to minimize the risk.

MANAGEMENT RESPONSE

We recognize and agree that the Associate Controller's access was excessive due to prior events and employee vacancies requiring that access. Due to the fact that those vacancies have been filled, the additional access is no longer needed and has been removed, including all HR functions.

4. There are 4 individuals with the ability to process/calculate payroll. Of these individuals, they all have ability to generate paychecks and add/approve hours, and 3 have access to record payroll in the general ledger and the ability to make general ledger entries.

The process of generating the payroll should be separated with segregation of duties in mind. The same individual who processes payroll should not generate the paychecks, add/approve hours, record the payroll, or make general ledger adjustments. We recommend a review of the workflow steps for running the payroll through the financial recording of the payroll and reassign rights in the system to effectuate segregation of duties.

MANAGEMENT RESPONSE

Security access has been redesigned to limit the ability to perform the above workflow to only the Associate Controller. These functions are necessary for the Associate Controller in order to supervisor the Payroll Department as well as the general accounting functions in the Controller's Office. However, any manual entry of hours by the Associate Controller will be reviewed in the audit report mentioned in Management's Response to Audit Finding & Recommendation #3. The security access for all of the other individuals mentioned above has been segregated between entering, processing payroll, generating checks, and posting to the ledger.



**PACKER · THOMAS**  
 Certified Public Accountants & Business Consultants  
 PROVEN TRUE.



"In the long run, if you don't put ethics before profits, there won't be a long-run."



AUDIT FINDINGS & RECOMMENDATIONS - REQUIRING IMMEDIATE ACTION (CONTINUED)

5. There is lack of segregation of duties with the manual (off-cycle) check process. In addition to the Associate Controller, there are two individuals who can print manual checks and also have access to the check stock. An individual who has the ability to generate a manual (off-cycle) check should not have access to the check stock.

We recommend not allowing access to the blank check stock to those that have the ability to generate manual checks

MANAGEMENT RESPONSE

In order to segregate duties, the individuals who had access to the blank check stock no longer have the ability to initiate a manual check except for one person. As a compensating control, any manual entry of hours by that person will be reviewed in the audit report mentioned in Management's Response to Audit Finding & Recommendation #3.

6. In our audit of IT General Controls dated January 28, 2014, it was discovered that there is a lack of segregation of duties within IT because programmers have access to make changes directly to the Finance database, creating a risk to data integrity. The management response in the prior audit report was as follows:

*“Application support staff have been granted read-only access to financial data in order to assist in problem determination, resolution, and address the general support needs of the functional areas.*

*A formal Production Data Modification Request (PDMR) procedure exists to request, track and grant temporary production update privileges to IT staff. Such access is provided to execute “one-shot” data corrections at the request of the functional data owners.”*

Upon further interviews with IT and a review of the data regarding the above statement of process, we determined that the above processes are not in fact used to manage programmer access to the financial database. There are currently 17 programmers who have access to the financial production database and no evidence that the activity is logged and/or monitored within these accounts.



AUDIT FINDINGS & RECOMMENDATIONS - REQUIRING IMMEDIATE ACTION (CONTINUED)

Ideally, access should be separated between the individuals making programming changes and the individuals with access to the financial production data. One way to correct this weakness would be to reassign access in a manner that is compatible with proper segregation of duties. Programmers would make and test programming changes within the test environment only, and another individual would be responsible to move the changes to the live system. A tracking system would be implemented to track changes to ensure that only approved changes are made in the database. Another way to mitigate this weakness would be to log and review the activity of the programmers within the live system to ensure only authorized changes/activity is made. Either one of these options would help to minimize the risk of fraud and errors in the financial system created by this lack of segregation of duties.

MANAGEMENT RESPONSE

As noted, the “inappropriate levels of access” defined to development staff were a remnant of the Banner Finance system as implemented in the 2005-2006 timeframe and followed the recommendations put forth, at that time, by the SCT Banner finance consultant. Upon notification by Packer Thomas, these privileges were reviewed and subsequently removed.

The development staff continues to rely upon the Production Data Modification Request procedure for the temporary granting of production privileges allowing for the execution of one-shot fixes as identified by the functional users. Final approval for such access currently resides with the Director of Computer Services.



“In the long run, if you don’t put ethics before profits,  
there won’t be a long-run.”



**AGENDA ITEM: C.1.b.**

**AGENDA TOPIC:** Report on Events Management and Unrelated Business Income Tax

**CONTACT(S):** Representatives from Packer Thomas

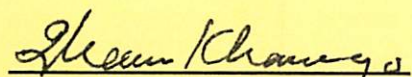
**BACKGROUND:** An audit of events management and unrelated business income was recently completed by Packer Thomas.

**SUMMARY AND ANALYSIS:** The main risks identified though our audit was the inconsistencies in obtaining proof of insurance and requiring signed contracts for University events. Procedures should be implemented to formalize the events management process. A comprehensive review of when third party liability insurance is required should be performed to ensure that proof of coverage is obtained when necessary and that the amount of coverage is appropriate. Additionally, a comprehensive review of when a contract is required should be performed to ensure that one is obtained when appropriate. It is imperative that the University's General Counsel approve any contract templates so that the appropriate language is properly included. Once procedures are implemented regarding contract and proof of insurance, it is important to have a proper record retention system so that in the event of a claim or assessment, the proper records can be located and used to protect the University.

From 2008 to 2013, the IRS engaged in a project to identify potential noncompliance by colleges and universities in several areas, including unrelated business income reporting. To this end, they examined the 990-T forms of over 30 colleges and universities. One of their findings was that over two-thirds of the organizations examined were claiming losses from activities that, in the opinion of the IRS, did not qualify as a trade or business. Unrelated business income, by definition, is derived from a trade or business and a trade or business requires a profit motive. The IRS takes the position that a profit motive does not exist when an activity incurred a loss in at least three out of the five previous years. The IRS then disallows the reporting of such activities on the 990-T (including net operating losses being carried forward), resulting in those losses not being available to offset income from other, profitable activities. While our review did not include scrutiny of prior years for each activity listed on the 990-T, there are potentially a number of activities for which YSU has claimed losses in a majority of years that could be subject to disallowance if examined by the IRS. YSU should evaluate those activities that have consistently incurred losses and document the activity's profit motive and note any actions taken to improve the activity's profitability.

**RESOLUTION: N/A – DISCUSSION ITEM ONLY**

**REVIEWED AS TO FORM AND CONTENT:**



Ikram Khawaja, Interim President



**EVENTS MANAGEMENT AND  
UNRELATED BUSINESS  
INCOME TAX  
INTERNAL AUDIT REPORT**

*April 22, 2014*

DISTRIBUTION

Audit Subcommittee: Mr. Leonard D. Schiavone, Chair  
Mr. David C. Deibel, Vice Chair  
Mr. James B. Greene  
Dr. John R. Jakubek

Chairman of the  
Board of Trustees: Dr. Sudershan K. Garg

Management: Dr. Ikram Khawaja  
Mr. Neal McNally  
Mrs. Katrena Davidson



**PACKER · THOMAS**

Certified Public Accountants & Business Consultants

**PROVEN TRUE.**



# YOUNGSTOWN STATE UNIVERSITY

## EVENTS MANAGEMENT AND UNRELATED BUSINESS INCOME TAX INTERNAL AUDIT REPORT

### CONTENTS

Cover Letter	3
Overview	4
Audit Findings & Recommendations	
- Requiring Immediate Action	5
- Requiring a Timely Response	7



**PACKER · THOMAS**  
Certified Public Accountants & Business Consultants  
PROVEN TRUE.



"In the long run, if you don't put ethics before profits,  
there won't be a long-run."



Youngstown State University  
One University Plaza  
Youngstown, Ohio 44555

This report summarizes the results of our internal audit of the events management process. Please review this report. If you have any questions, please call us at (330) 533-9777.

Management has provided their responses to our findings and those responses are included within this report.

We wish to thank the staff of the Alumni and Events Management, Athletics, Kilcawley, and the Williamson College of Business Administration for the cooperation that was extended to us during the course of this audit.

PACKER THOMAS  
April 22, 2014

6601 Westford Place  
Suite 101  
Canfield, OH  
44406

330-533-9777  
1-800-943-4278  
Fax: 330-533-1734  
[www.packerthomas.com](http://www.packerthomas.com)



"In the long run, if you don't put ethics before profits,  
there won't be a long-run."





OVERVIEW

An audit of the events management and unrelated business income taxes, was recently completed by Packer Thomas. Our procedures were performed as a result of the internal audit risk assessment which was approved by the Audit Subcommittee

The scope of our audit for events management focused on examining adherence to the University’s policies and procedures in relation to aspects of the following areas:

- Event reservations
- Proof of insurance
- Alcohol licensing
- Event billings

The scope of our audit for unrelated business income taxes focused on examining adherence to the Internal Revenue Service’s rules and regulations in relation to aspects of the following areas:

- Parking pass sales
- Athletic facilities rental
- Airtime leases
- Program and scoreboard advertising
- Events held on campus
- Recognition of an activity as a trade or business

The objectives of our audit were as follows:

- Review current procedures to determine the adequacy of the internal controls
- Determine the effectiveness and efficiency of operations
- Determine compliance with applicable laws, regulations, policies, procedures and other established guidelines

Our consideration of internal controls involved assessing the effectiveness and existence of proper internal controls for the following:

- Management oversight
- Segregation of duties
- Safeguarding of assets
- Reconciliations
- Authorizations
- Document retention

The procedures performed during our internal audit included interviews as well as walkthroughs, and specific testing conducted on various sample sizes. Therefore, our consideration of internal control would not necessarily identify all deficiencies in internal control. However, we have listed below the summary of our findings in three separate categories (as applicable): those that we consider to be issues that require immediate action by management, those that need a timely remedy, and those items for consideration by management based on best practices.



“In the long run, if you don’t put ethics before profits, there won’t be a long-run.”

AUDIT FINDINGS & RECOMMENDATIONS - REQUIRING IMMEDIATE ACTION

1. During our audit we noted that important records, including signed contracts, proof of liability insurance, and liquor permits could not be located when requested. The causes of the problem appeared to be the lack of a clearly specified and organized system for record storage and retention. This disorganization increases the risk that these records will not be located in the event they are needed to settle a claim or dispute.

We recommend that the following steps be taken:

- Decide on a systematic manner of filing documents. Describe the system in the written procedures or post a description on the filing cabinets or in the storage room so that employees will know how to store important documents.
- Establish a policy specifying which records should be retained permanently and which records should be kept only for a given period before being destroyed and how long that period should be. (It might differ for different types of documents). While implementing this change, consideration should be given to storing files electronically in lieu of paper documents. Assign personnel the responsibility to periodically clean out the files in accordance with the established policy.

MANAGEMENT RESPONSE

Departments will work together to establish a policy for record keeping following the guidelines listed in “Records Retention for Public Colleges and Universities in Ohio” <http://www.yzu.edu/recordsmgmt/pdfs/RecordsRetentionManual.pdf>. Departments will determine where to store each type of document (contracts, liquor permits, etc.) and for how long. Some departments are currently scanning documents for storage and utilizing shared drives for open department access to certain documents. Currently, room reservations are kept indefinitely in the system. Other options will be explored for better organization of and quicker access to documents for personnel involved in event planning/scheduling.

Our intention for the most part is to keep digital records versus paper records.

2. Inconsistencies were noted across departments, as well as within departments, as to when proof of liability insurance was required and obtained for an event. These inconsistencies are the result of the lack of formalized policies and procedures relating to events management. Proof of liability insurance is imperative in the goal to protect the University from legal claims or assessments. Lack of obtaining proof of insurance makes the University vulnerable to unforeseen risks.

A comprehensive review of when third party liability insurance is required should be performed to ensure that proof of coverage is obtained when necessary and that the amount of coverage is appropriate. It would be prudent to include your Insurance Representative in this comprehensive review. We recommend that once the review is performed, policies and procedures are developed to limit judgment relating to when external parties are required to provide proof of insurance. The implemented policies should be sure to require the proof of insurance *before* the event.





MANAGEMENT RESPONSE

All departments will require proof of liability insurance for off campus/external groups reserving space. Students and campus departments are covered under the university's insurance. We will review insurance policies with our representative.

3. Inconsistencies were noted across departments as to when a signed contract was required for an event. Additionally, the contracts we reviewed varied in content. Inconsistencies such as these do not properly protect the University.

A comprehensive review of when a contract is required should be performed to ensure that one is obtained when appropriate. There should be stated policies and procedures of when a contract is required to limit the need for judgment. Additionally, templates should be developed in order to provide consistent language in the contracts. Hold-harmless and indemnification clauses are important to provide the University with broad protection in the event of a claim or suit against the University. It is imperative that the University's General Counsel approve the contract templates so that the appropriate language is properly included.

MANAGEMENT RESPONSE

For the past eight months, departments involved in event planning/scheduling have been working on developing a uniform contract. These departments, or campus events team, meet every two weeks to discuss campus events. The contract modification has developed from these meetings. Legal has attended and offered advice and is reviewing the contract draft. Certain modifications/addendums may need to be added to accommodate venue distinctions.

The plan is to have a final version of the contract available to all off-campus/external that want to rent or reserve university space by the end of the 2014 calendar year.

4. As discussed in other findings within, it was noted that the events management process varies across the campus. This creates confusion and increases risks to the University.

We recommend that policies and procedures relating to the entire events management process and the rental of University facilities be developed and consistently applied. Having clear procedures in place enables the University to establish clear expectations and holds individuals accountable throughout the process, thereby reducing risk. Such practices help prevent the mismanagement of events, and deter those who intend to use the facilities for inappropriate reasons.

MANAGEMENT RESPONSE

The campus events team is currently reviewing, with legal's guidance, the current YSU Guidebook policy: "University Facilities—Use, Priorities and Fees." <http://ysu.edu/guidebook/pdf/4003.01%20final2011.pdf>. This policy is severely outdated and is up for review in 2015. With a total revision to match today's practices and developing standards, a new policy will be an effective tools in establishing consistency and better customer service.

Also, when the campus events team reviews this policy, we plan to pay special attention to student groups and campus departments that have fronted in the past for off campus groups or organizations to hold their events using university facilities, and decide if this is a practice that we plan to allow to continue.



5. An instance was noted where outside liability insurance was required; however, proof of insurance was not obtained. As discussed previously within, proof of insurance is critical in protecting the University in the event of a claim or assessment.

Exceptions should not be made when it is determined that proof of insurance is required. It is imperative that proof of insurance be obtained in accordance with a defined policy and that it is obtained prior to the event occurring and retained.

MANAGEMENT RESPONSE

For organizations who have had long-standing reservations and who were not asked for insurance previously, legal will advise on how to manage such an exception.

AUDIT FINDINGS & RECOMMENDATIONS - REQUIRING TIMELY REMEDY

6. We noted an instance where the \$400 rental fee was not billed timely. The billing occurred over nine months after the date the event was held. The error occurred due to the employee that normally handles the billing was out on leave so the billing was not prepared in her absence. The rental fee has since been billed.

Timely billing of rental fees increases the chances of collecting the fee. If fees are normally billed by an employee that is absent, procedures should be in place to make sure their job duties are reassigned in their absence.

MANAGEMENT RESPONSE

Timely billing is of utmost importance to all departments making up the campus events team. This summer, we plan to look at our billing procedures, and address the situation. We are looking for a better way to ensure timely bill collection. Collaboration with student accounts about a more streamlined billing process is already being investigated.

The situation mentioned above was resolved by the client paying their fee for two years at one time with one payment.

7. Currently, documentation is somewhat outdated or missing in order to support the numbers used on the Form 990-T (Exempt Organization Business Income Tax Return). Proper supporting documentation is an important part of the process in preparing the Form 990-T. In order to better protect YSU in the event of an IRS audit of Form 990-T, we suggest the following:
  - For all categories of activities being reported on the 990-T, a periodic review (and documentation thereof) at least every three years of the methodology used to allocate expenses to ensure that the methods being used continue to be reasonable.
  - Relating to the airtime lease, develop procedures to ensure that a copy of the executed lease that is currently in effect is on file and readily accessible.
  - Regarding program and scoreboard advertising, continue to monitor the distinction between “qualified sponsorship payments” (which are not subject to unrelated business income tax) and other advertising revenue (which is subject to UBIT). A “qualified sponsorship payment” occurs when the payor does not arrange or expect any substantial return benefit, other than use or acknowledgment of the payor’s name,



“In the long run, if you don’t put ethics before profits, there won’t be a long-run.”



logo, or product lines. (No other type of information is included or displayed.) Advertising occurs when a message contains qualitative or comparative language, price information, an endorsement, or an inducement to purchase, sell, or use the payor's products or services. The workpapers for revenue from football and basketball programs presently indicate that the distinction between taxable and nontaxable advertising revenue is being made. No income from scoreboard advertising is presently reported on the 990-T, indicating that all revenue is "qualified sponsorship payments." Any and all new agreements that are entered into must be evaluated to determine proper classification in this regard.

- From 2008 to 2013, the IRS engaged in a project to identify potential noncompliance by colleges and universities in several areas, including unrelated business income reporting. To this end, they examined the 990-T forms of over 30 colleges and universities. One of their findings was that over two-thirds of the organizations examined were claiming losses from activities that, in the opinion of the IRS, did not qualify as a trade or business. Unrelated business income, by definition, is derived from a trade or business and a trade or business requires a profit motive. The IRS takes the position that a profit motive does not exist when an activity incurred a loss in at least three out of the five previous years. The IRS then disallows the reporting of such activities on the 990-T (including net operating losses being carried forward), resulting in those losses not being available to offset income from other, profitable activities. While our review did not include scrutiny of prior years for each activity listed on the 990-T, there are potentially a number of activities for which YSU has claimed losses in a majority of years that could be subject to disallowance if examined by the IRS. YSU should evaluate those activities that have consistently incurred losses and document the activity's profit motive and note any actions taken to improve the activity's profitability.

MANAGEMENT RESPONSE

We agree with the recommendations and will incorporate these into our procedures when completing the Form 990-T for fiscal year 2014 unrelated business income activities.



**AGENDA ITEM: C.1.c.**

**AGENDA TOPIC:** Request for Proposals for Internal Audit Services

**CONTACT(S):** Neal McNally, Interim Vice President for Finance and Administration

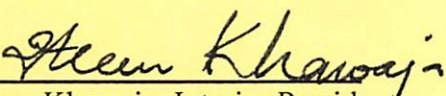
**BACKGROUND:**

- The Internal Audit function at Youngstown State University is governed by an Internal Audit Charter, which documents the mission statement, definition of internal auditing, authority and accountability, and scope of work.
- The function has been contracted to an Independent Accounting firm (Packer Thomas) for the past ten years. Prior to that, the function was staffed internally.
- The five year agreement between Packer Thomas and the University, signed on February 11, 2009, ended April 30, 2014.
- In accordance with the Audit Subcommittee Charter, the Audit Subcommittee will be responsible for the appointment, compensation, retention, oversight and evaluation of the University's external and internal auditors and concur in the appointment or replacement of the provider of internal audit services.
- University Guidebook Policy 3003.01 Purchasing Limits for Competitive Selection requires that services that will result in estimated payments of \$50,000 or more, per fiscal year per supplier, shall be obtained through a competitive selection process. When justified, a Waiver of Competitive Bidding may be authorized by the Vice President for Finance and Administration or designee.

**SUMMARY AND ANALYSIS:** The University recognizes the value of the internal audit function. Due to the expiration of the current contract, there is an opportunity to discuss the future direction of the internal audit function, including the options of insourcing or outsourcing and the best option for the University in the short and long term.

**RESOLUTION: N/A – DISCUSSION ITEM ONLY**

**REVIEWED AS TO FORM AND CONTENT:**

  
Ikram Khawaja, Interim President



**Youngstown State University  
Request for Proposal for Internal Audit Services  
June 2014**

**I. Introduction**

Your firm is invited to submit a written proposal to provide internal audit services to Youngstown State University effective July 1, 2014 through June 30, 2019. The University is seeking a firm that can make a substantive contribution to risk management and control effectiveness in support of the University's mission. The University will select the firm that demonstrates superior capabilities in internal audit services at a competitive cost.

Internal audit services are an independent, objective assurance and consulting activity designed to add value and improve the University's operations. Internal audit services help the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

**II. Internal Auditing at Youngstown State University**

The Internal Audit function at Youngstown State University is governed by an Internal Audit Charter, which documents the mission statement, definition of internal auditing, authority and accountability, and scope of work. The function has been contracted to an Independent Accounting Firm for the past ten years. Prior to that, the function was staffed internally.

**III. Objectives and Scope of Initiative**

The following represents the objectives and scope of this initiative.

1. Select an internal audit service partner for a five-year contract period based on the ability to meet the following criteria:
  - i. Knowledge and experience of the firm
  - ii. Knowledge and experience of the individuals assigned to the engagement
  - iii. Responsiveness of the proposal
  - iv. Value received
2. To ensure maximum independence and adequate consideration of recommendations, Internal Audit will report to the Audit Subcommittee of the Board of Trustees and will have direct access to the Audit Subcommittee and/or President. Daily interactions and administration of the internal audit contract will be coordinated by the Vice President for Finance and Administration or his designee.
3. The successful bidder or contractor will be prepared to begin providing internal audit resources in July 2014 including (1) conducting an annual risk assessment, (2) selecting audits to be included in the internal audit annual plan as a result of the risk assessment, (3) supervising and performing the internal audit work and (4) communicating the results both written and verbal to senior management and the Audit Subcommittee. In addition to audits identified through the risk assessment process, the annual audit plan is to include 200 hours reserved for special management requests.
4. The University will provide on-site office space at no cost. The University will provide access to University chargeback services such as telephones, computer system connectivity, parking and copying at the same rates as other University departments and offices.

**IV. Timeline**

Following is the anticipated schedule for the selection process. The University reserves the right to modify any part of this schedule. A short list of bidders will be invited to make presentations before the final selection.

Date	Activity
6/23/2014	Pre-bid meeting for information gathering purposes
7/7/2014	Proposals due. Supplemental information may be requested
7/23 & 7/24/2014	Finalists' on-site oral presentations to Evaluation Committee
TBD	Finalists' on-site oral presentations to Audit Subcommittee
8/15/2014	Contract award – on or before

**V. Background Information**

To assist in preparing your proposal, the following background information will be available upon request:

- Youngstown State University Internal Audit Charter
- Recap of Internal Audit Reports/Activity FY2010-FY2014
- Audits Timeline Matrix as of May 2, 2014
- Our external auditors' previous management letter, with responses

Also, visit the Ohio Auditor of State's website at <https://ohioauditor.gov/auditsearch/Search.aspx> for prior financial and performance audits of Youngstown State University.

**VI. Equal Employment Opportunity**

Pursuant to Section 125.111 of the Ohio Revised Code, contractor shall agree that contractor and any person acting on behalf of contractor will not discriminate, by reason of race, creed, color, religion, sex, age, handicap, national origin, and ancestry against any citizen of this state in the employment of any person qualified and available to perform the work under this agreement. Contractor shall further agree that contractor and any person acting on behalf of contractor shall not, in any manner, discriminate against, intimidate, or retaliate against any employee hired for the performance of work under this Agreement on account of race, creed, color, religion, sex, age, handicap, national origin, Vietnam-era veteran status or ancestry.

**VIII. Proposal Requirements**

Proposal requirements are organized into the following categories:

1. Internal audit practice
2. Implementation
3. Internal audit methodology
4. Technology and tools
5. Relationship
6. Training and staff assessment
7. General questions
8. Fees
9. References



Please structure your proposal to match these nine categories in order and respond to each requirement. For each requirement state how your service provides the capability to execute the stated requirement as well as a brief description as to how your service specifically satisfies the stated requirement. In addition to responding to the questions contained in the above nine categories, please provide any additional information you believe to be appropriate.

Proposals should not exceed 25 pages (not including resumes).

Please forward one hard copy of your proposal with signatures and one digital copy on CD rom or flash drive to the undersigned listed in the "Contact Information" section below no later than 2:00 p.m. EST on April 7, 2014. Proposals not received by this date will be excluded from consideration.

### ***Internal audit practice***

1. Are your firm and professional staff properly licensed to practice in Ohio and compliant with governmental qualification standards (including governmental continuing education requirements)?
2. Is your firm registered with the Ohio Auditor of State to bid on financial audits of public entities in Ohio?
3. Describe your firm's organizational and strategic goals as they relate to your internal audit services practice, including specialization, your firm's philosophy, and the location of firm-wide experts.
4. How many years has your firm been providing internal audit services with dedicated internal audit professionals?
5. What is the size of your internal audit practice stated in number of clients and dedicated internal audit professionals?
6. Where are your offices located in relation to the University?
7. What are your specific credentials in internal audit of higher education institutions? Please provide specifics on clients: (a) how long have they been clients and (b) what types of internal audit services have you provided to them?
8. How do you interface with your clients' internal management personnel to develop an effective engagement team?

### ***Implementation***

1. What is the proposed core client service team? Please provide resumes of your proposed core client service team including the city in which they are based, their education, experience profile, and professional certifications.
2. What role(s) do you envision partner and senior manager level professionals playing in our relationship?
3. What commitment will you make regarding the experience level of staff that will be utilized? Understanding that people will be promoted and may leave the firm, what commitment will you make on staff continuity for the next two to three years?
4. How will you ensure that the engagement staff assigned has appropriate experience and specific skill requirements? Please give a few examples of how you have successfully staffed internal audit engagements.
5. How are your internal audit professionals identified and recruited? How do you attract and retain the most qualified internal auditors?
6. How frequently are staff members with a particular or specialized expertise brought in to assist on an internal audit engagement? What criteria do you use to determine the need for the additional expertise?

7. How many Certified Fraud Examiners (CFEs) do you have? Are these CFEs part of your internal audit practice or are they in a separate group?
8. To what extent will internal auditors use fraud detection techniques when performing standard financial and operational reviews?
9. How will your engagement personnel be managed on a day-to-day basis, including scheduling, performance reviews, workpaper approval and training?
10. Identify the individual who will have primary responsibility for contact with the University. Also, explain what communication protocols will be utilized with respect to auditee and internal audit management.

***Internal audit methodology***

1. What is your overall approach and methodology to internal audit and how do you foresee this integrating with our University’s methodology, as you currently understand it?
2. How do you ensure consistency in approach and execution of internal audits? Describe, in detail, the quality control program and practices of your firm.
3. Describe the methods you use to keep your clients informed of significant issues and other relevant matters.
4. How can cost effectiveness be achieved through using your organization?
5. What is your firm's position on the possession and ownership of workpapers?

***Technology and Tools***

1. What is your firm's internal audit technology strategy?
2. Describe the investment your firm has made in developing and deploying internal audit specific and internal audit related software and tools over the past five years. How do you expect this investment to change over the next five years?
3. What knowledge sharing tools do you utilize to share information with your clients? Would we have access to these tools at no additional cost?
4. What best practice tools do you utilize and would these tools be available to us at no additional cost?
5. Please use the grid format below to describe the software and/or tools used or suggested by your internal audit professionals. How would these be used in an internal audit relationship? Feel free to use additional space if needed.

Name of software or tool	Description	Benefit to internal audit	Available to University?

***Relationship***

1. With an internal audit partner, what should be the roles and responsibilities of the client, the service provider and the external auditor? (In your response discuss the audit plan, execution, communication, the audit committee and financial statements). How do you keep abreast of the changes that occur at a university where you provide internal audit services? (e.g., changing technologies and processes, reorganizations, etc.)



How do you see these changes being incorporated in the annual audit plan?

2. List and explain, in detail, any conflicts that would prevent your firm from providing integrated, internal audit services to Youngstown State University, or would otherwise impair your independence or require you to modify the scopes of your audits or their implementation.
3. Describe how your experience gained at other clients can be made easily accessible to provide benchmarking opportunities and exchange of best practices.
4. How do you measure customer satisfaction and the value of services provided?

### ***Training and staff assessment***

1. Describe your firm's commitment to professional development and the specifics (location, curriculum, etc) of how this is accomplished.
2. What type of training does your staff receive? What are your firm's expectations in terms of number of hours of training? What initial training do staff personnel receive?
3. What percentage of your staff has one or more certifications (e.g. CIA, CPA, CISA, CFE, etc.)? What incentive is given to encourage staff to obtain additional certifications or to pursue advanced degrees?
4. How do you assess your staff's performance on internal audit engagements?
5. Provide the results of your firm's last peer review.

### ***General questions***

1. How would you distinguish your firm from others in providing internal audit services? What special skills does your firm possess which will fulfill Youngstown State University's needs and differentiate you from other providers of internal audit services?
2. What is your firm's customer service philosophy?
3. In your view, how has the internal audit industry changed in the last five years? What trends do you see in the next five years?

### ***Fees***

1. Describe your internal audit fee structure.
2. What fee arrangements do you propose for this relationship over the five year contract period? At a minimum, list:
  - staff categories and associated cost for the five year contract period
  - the estimated Fiscal Year 2015 audit hours by staff category with associated cost
  - the estimated Fiscal Year 2016 audit hours by staff category with associated cost
  - expectations regarding reimbursable expenses, if any
  - any other cost considerations including on-site office furnishings and equipment

### ***References***

Please provide three or more references of clients for which you are currently providing internal audit outsourcing services. For each reference, provide the name, title, and telephone number of the person we may contact. For each reference, indicate the type of internal audit service provided and indicate how long you have

been providing this service to the client.

## **IX. Contract**

The selection of an internal audit service provider is contingent on the signing of a written contract. The provisions of the successful Contractor's proposal as well as the terms and conditions of the request for proposal shall be incorporated into the contract. It is intended that the Contractor's proposal and the University's Request for Proposal will constitute the agreement between the parties and serve as the "Contract Document." Proposals shall be constructed to be in full and complete compliance with the terms, conditions, provisions, guidelines, and specifications of the RFP unless the provider clearly describes any deviation from this proposal. The University reserves the right to amend or reject any contract agreements submitted by the vendor prior to making any award.

The University will generally restrict the selected firm from providing consulting services to the University unrelated to the audit agreement. Any exception to this policy must be approved by the University's Vice President for Finance and Administration.

Either party may at any time after the first 180 days of operation terminate the contract by giving one hundred and eighty (180) days notice in writing to the other party of its intention to do so.

## **X. University Rights**

The University reserves the right to:

1. Waive any formality
2. Reject any or all respondents
3. Modify this request
4. Request clarification of information submitted or request additional information
5. Approve/request replacement of the lead auditor

All costs directly or indirectly incurred in the preparation of a response to this request for proposal or any oral presentation that may be requested shall be borne solely by the proposing firm.

The Contractor agrees to indemnify the University, its officers, agents, and employees from and against any and all claims, damages, losses, and expenses, including attorney's fees arising out of or resulting from:

1. Contactor's breach of any term of the contract documents
2. Damages, compensation, or benefits payable by or for Contractor
3. Indemnification to survive termination of this contract

## **XI. Insurance**

Insurance shall be maintained by the Contractor, with a copy of all policies and binders provided to the University. Contractor shall:

1. Use an insurance company licensed in the State and acceptable to the University.
2. Notify the University not less than ninety (90) days prior to any modification or cancellation of policy;
3. Carry all-risk insurance replacement cost coverage against fire, lightning, vandalism, theft, and malicious mischief.
4. Carry workers' compensation insurance covering employees of Contractor.



5. Hold the University harmless from any actions brought against the Contractor for negligence. Copies of certificates of insurance shall be furnished to the University.

**VII. Clarifications and Questions**

All questions regarding this proposal must be submitted via e-mail to Bill Wheelock at [wwheelock@ysu.edu](mailto:wwheelock@ysu.edu). Any question asked will be published along with the answer to all bidders within two business days.

**VIII. Contact Information**

Bill Wheelock  
Director of Procurement Services  
Youngstown State University  
One University Plaza  
Youngstown, Ohio 44555

**AGENDA ITEM: C.1.d.**

**AGENDA TOPIC:** Executive Summaries for Strategic Plan Cornerstone

**STAFF CONTACT(S):** Kevin Ball, Associate Provost Academic Programs Planning; Bryan DePoy, Dean, College of Creative Arts and Communication; Jack Fahey, Vice President for Student Affairs; and Neal McNally, Interim Vice President for Finance and Administration

**BACKGROUND:** The chairpersons of each of the four Strategic Plan Cornerstones report in summary form to the Board of Trustees at each quarterly meeting. The background material in the Audit Subcommittee includes the matrix of progress for all of the initiatives of the Strategic Plan.

**SUMMARY AND ANALYSIS:** Executive Summaries for Strategic Plan Cornerstones are attached.

**RESOLUTION: N/A – DISCUSSION ITEM ONLY**

**REVIEWED AS TO FORM AND CONTENT:**

  
Ikram Khawaja, Interim President



# YSU 2020

Cornerstone on Accountability and Sustainability  
Executive Summary  
June 2014

This summary was prepared based on progress made as of April 24, 2014.

Progress on utilizing YSU's new "Modified Strategic Initiative-Based Budgeting" has been challenged by the need to make tactical budget adjustments in response to declining student enrollments and an accompanying decline in tuition revenue.

The FY 2015 budget development process has highlighted to the campus community the need to trim expenses, raise revenue and to enhance operational efficiencies. The recommendations of the YSU Budget Development Council have been very clear: every sector of the University must set priorities and make permanent, base budget adjustments to ensure a balanced budget. Although near-term disruptions to various customer services are unavoidable, an intended byproduct of this exercise will be a leaner, more cost-efficient University. This exercise also includes strategic reallocations of funds consistent with modified initiative-based budgeting.

Limitations on available data have stalled the development of a data warehouse that would facilitate cost-benefit analyses at the program level. However, significant progress has been made to enable a cost-benefit analyses at the departmental level, which would assist management in determining which academic departments have growth potential and which may not.



# YSU 2020

## Cornerstone on Regional Engagement Executive Summary June 2014

The Regional Engagement Cornerstone team of YSU's 2020 Strategic Planning Initiative met recently to discuss the cornerstone metrics listed in Appendix B of the original strategic planning document. In response to the request of the Board of Trustees at the last meeting in February 2014 when a cornerstone update was presented, the team now presents metrics for athletics that were initially marked as "TBD" in 2010. They are as follows:

	<b>Current or Most Recent</b>	<b>2020</b>
<b>Number of individuals attending athletic events and clinics</b>	<b>147,963</b>	<b>+5%</b>
<b>Number of service events completed by student-athletes and staff</b>	<b>103</b>	<b>+5%</b>

The team also discussed appropriate updates to the Strategic Plan Matrix.

At the next meeting, the team will explore the idea of adding one new metric to measure Regional Engagement and continue to discuss ways to improve the data collection model for this cornerstone.



# YSU 2020

Cornerstone on Student Success

Executive Summary

June 2014

The Student Success Cornerstone is divided into three themes. Each theme has a host of initiatives and metrics. The themes are:

- Academic Achievement (fourteen initiatives, thirteen metrics)
- Student Satisfaction with Academic and Non-Academic Experiences (eight initiatives, four metrics)
- Readiness for Post-College Success (four initiatives, four metrics)

## Progress on Initiatives

The Student Success Cornerstone has been operating at an accelerated pace due to the urgency of transforming our approach to student success.

Although we are only 1/3 of the way through the 10-year period, we are more than 2/3 completed with all of the initiatives prescribed by the plan.

## Measurement/Metrics

Most of our metrics indicate successful progress toward our goals.

A more detailed report is included as part of the Academic Quality & Student Success Agenda.



# YSU 2020

## Cornerstone on Urban Research University Transition Executive Summary June 2014

Progress continues on a number of initiatives within the Urban Research University Transition Cornerstone. These initiatives impact undergraduate and graduate education as well as international students.

The efforts of the Distance Education Office to expand online course options for students and to increase enrollments continue to be an institutional priority. The RN-to-BSN program and the Financial Economics program are slated to go live in fall 2014, joining the seven existing fully-online programs. The Office of Distance Education's marketing efforts are showing promise for continued growth in enrollment. After four months of dedicated online marketing, the office has increased YSU's prospective student interests by 38% and applications by 31%. The addition of a student support specialist adding production to the outreach effort will allow the Office of Distance Education to better convert these inquiries and applications into enrollments for the fall 2014 semester and future semesters.

The Office of Distance Education also continues its support to make sure YSU offers the highest quality online programs and courses to its students. Currently, YSU has 95 courses under development. These courses will be peer-reviewed to ensure they meet the expectations of highest quality, pedagogically-focused online courses from faculty trained in the best practices of online instruction. As an added measure of continuous improvement, the office is working to implement the capability for YSU faculty to proctor and verify student enrollment through a partnership with ProctorCam, a company specializing in this area. Finally, the acquisition of the student workforce from the former ITC office and the formulation of the Instructional Design and Development Center (IDDC) has provided uninterrupted support for YSU faculty in the design, development, and delivery of online courses and programs.

The 25<sup>th</sup> anniversary of Quest: A Forum for Student Scholarship featured 389 students involved in 192 projects. To celebrate Quest's anniversary, a special event called the Best of Quest was held. During Best of Quest, the top students in each college presented their projects to a distinguished panel of judges and to the audience. Turning Technologies supplied the scoring equipment for the event.

In the first half of FY 2014, a total of \$5,186,670 in external grants was received. This amount exceeds the total of \$3.55 million received by YSU for the entire fiscal year of 2013. Success in attracting external grants continued during the third quarter of FY 2014. New notifications of awards exceeding \$1 million were received, including two from America Makes (formerly NAMII) and two from the Ohio Board of Regents. These grants will actually be recorded in the fourth quarter. Through the third quarter of FY14, the Office of Grants and Sponsored Programs (OGSP) estimates that its "unofficial" funded grants total about \$6.4 million dollars.



The OGSP is increasing its focus on compliance issues. A system was implemented to improve tracking of Progress (Technical) Reports that principal investigators are required to submit to the funding sponsor. In addition, online training modules for the responsible conduct of research (RCR) are being implemented using the CITI (Collaborative Institutional Training Initiative) program. The planning and full implementation is expected to occur by fall 2014.

International student enrollment has increased significantly. In spring 2014, 204 degree-seeking international students were enrolled, an 8.5% increase compared to spring 2013 and a 6.25% increase compared to fall 2013. International student applications reached an all-time high, with more than 70 new international students enrolling this semester for a total of more than 250 international students enrolled in graduate programs, undergraduate programs, and the English Language Institute.

The Center for International Studies and Programs has expanded strategic representation partnerships and now has active representation in India, Bangladesh, Nepal, and China. YSU's partnership with Chunguk National University in Korea has recruited 2-3 Korean students for the past four semesters.

An updated international student recruitment publication has been produced. This publication will provide YSU's partners and prospective international students with an exciting look at the university, community, and course offerings. Beginning in spring 2014, the Provost's Scholarship is available to international students in order to attract more international students with strong academic profiles. In February, YSU's international admissions coordinator traveled to Malaysia, Thailand, and Vietnam to recruit international students. Thailand has an active group of YSU alumni, and an alumni reception was held in Bangkok with Interim President Ikram Khawaja in attendance.

Fifteen YSU students spent spring 2014 on a study abroad program. Students studied in Australia, China, England, Cyprus, India, Italy, Russia, Taiwan, Thailand, and Turkey. An additional approximately 40 YSU students will travel to other countries (the Bahamas, China, Costa Rica, and England) as part of YSU courses during the spring and summer terms.