

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

**Tuesday, September 19, 2023
11:00 a.m. or immediately following
previous meeting**

**Board Room
Tod Hall**

AGENDA

- A. Disposition of Minutes for Meeting**
- B. Old Business**
- C. Subcommittee Items**

1. Action Items

- C.1.a. = Tab 1 a. Resolution to Renew and Amend the Internal Audit Charter**
Sarah Gampo, Director of Internal Audit at Kent State University, and Michelle DiLullo, Staff Auditor, will report.
- C.1.b. = Tab 2 b. Resolution to Renew and Amend the Audit Subcommittee Charter**
Sarah Gampo, Director of Internal Audit at Kent State University, and Michelle DiLullo, Staff Auditor, will report.

2. Discussion Items

- a. YSU-KSU Shared Services Agreement Update**
Sarah Gampo, Director of Internal Audit at Kent State University, will report.
- b. Audit Report on Banner Access**
Sarah Gampo, Director of Internal Audit at Kent State University, will report.
- C.2.c. = Tab 3 c. Internal Audit Report on the Office of University Bursar**
Michelle DiLullo, Staff Auditor; will report.
- C.2.d. = Tab 4 d. Anonymous Reporting Hotline Stats Update**
Michelle DiLullo, Staff Auditor, will report.
- C.2.e. = Tab 5 e. FY23 Fourth Quarter Internal Audit Plan Update**
Michelle DiLullo, Staff Auditor, will report.

C.2.f. = Tab 6

f. 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.g. = Tab 7

g. Update on Enterprise Risk Management

Julie Gentile, Director of Environmental and Occupational Health and Safety, will report.

D. New Business

E. Adjournment



**RESOLUTION TO RENEW AND AMEND
THE INTERNAL AUDIT CHARTER**

WHEREAS, the Internal Audit Charter (the Charter) defines the internal audit activity's purpose, authority, and responsibility; and

WHEREAS, the Charter establishes the internal audit activity's functional reporting relationship with the audit subcommittee, authorizes access to records, personnel, and physical properties relevant to the performance of engagements, and defines the scope of internal audit activities; and

WHEREAS, the Charter is reviewed and approved by the audit subcommittee annually as part of its oversight of the internal audit function; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of Youngstown State University does hereby renew the Internal Audit Charter, attached hereto.

**Board of Trustees Meeting
September 20, 2023
YR 2024-**

Youngstown State University Internal Audit Charter

Introduction:

~~Internal Auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of Youngstown State University (“the University”). It assists the University in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the University’s governance, risk management, and internal control.~~

This charter is prepared in accordance with the Institute of Internal Auditors’ (IIA) guidance as described later under the heading “Standards for the Professional Practice of Internal Auditing.”

Purpose and Mission:

Internal audit is an independent and objective assurance and consulting activity designed to add value to improve the operations of Youngstown State University. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. It assists the university in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the university’s risk management, control, and governance processes.

Role:

The internal audit activity is established by the Board of Trustees (“Board”) and its responsibilities are defined by the Audit Subcommittee (“Subcommittee”) of the Board as part of its oversight role as defined in the Audit Subcommittee Charter.

~~Professionalism:~~

~~The internal audit activity will govern itself by adherence to the Institute of Internal Auditors’ mandatory guidance including the Definition of Internal Auditing, Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity’s performance.~~

~~The Institute of Internal Auditors’ Practice Advisories, Implementation Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the internal audit activity will adhere to the University relevant policies and procedures.~~

Standards for the Professional Practice of Internal Auditing:

IA shall adhere to the mandatory elements of The Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF), including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing (the *Standards*), and the Definition of Internal Auditing. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for ensuring the effectiveness of the internal audit activity's performance.

Authority:

Authority is granted for full, free, and unrestricted access to any and all of Youngstown State's records, physical properties, and personnel relevant to any function under review. ~~The internal audit activity, with strict accountability and confidentiality and safeguarding records and information, is authorized full, free, and unrestricted access to any and all of the University's records, physical properties, and personnel pertinent to carrying out any audit engagement.~~ All employees are expected to assist the internal audit activity in fulfilling its roles and responsibilities. The internal audit activity will also have free and unrestricted access to the Subcommittee and the Board.

Documents and information provided to the internal audit during a review will be handled in a prudent and confidential manner.

Organization:

The ~~Director of Internal Audit & Risk Management ("Director")~~ Internal Auditor will report functionally to the Subcommittee and administratively (i.e., day to day operations) to the Vice President for Finance & Business Operations. The Internal Auditor collaborates with external providers engaged to assist in the direction and operation of the internal audit activity as determined by the management and the Subcommittee.

The Subcommittee will:

- Approve the internal audit charter.
- Approve the risk based internal audit plan
- Approve the internal audit budget and resource plan
- Receive communication from the ~~Director~~ Internal Auditor on the internal audit activity's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the ~~Director~~ Internal Auditor.
- Make appropriate inquiries of management and the ~~Director of Internal Audit~~ Internal Auditor to determine whether there is inappropriate scope or resource limitations.

Independence and Objectivity:

The internal audit activity will remain free from interference by any element in the University, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary, independent and objective mental attitude.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair an internal auditor's judgment.

Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The internal audit activity may provide consulting services to assist with opportunities for improving internal controls or provide other guidance as needed. This consulting service would not impede independence since management retains operational responsibility.

The ~~Director Internal Auditor~~ Internal Auditor will confirm to the Subcommittee, at least annually, the organizational independence of the internal audit activity.

Scope on Internal Audit Activities:

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the University's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the University's stated goals and objectives. This includes:

- Evaluating risk exposure relating to achievement of the University's strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the University.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Monitoring and evaluating governance processes.
- Monitoring and evaluating the effectiveness of the University's risk management processes.
- Performing consulting and advisory services related to governance, risk management and control as appropriate for the University.

- Reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan.
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Subcommittee.
- Evaluating specific operations at the request of the Subcommittee or management, as appropriate.

Responsibility:

The Internal Auditor, in collaboration with external providers engaged to assist in direction and operation of internal audit activities, has the responsibility to:

- Submit, at least annually, to senior management and the Committee a risk-based internal audit plan for review and approval
- Communicate to senior management and the Committee the impact of resource limitations on the internal audit plan
- Review and adjust the internal audit plan, as necessary, in response to changes in the university's risks, operations, programs, systems, and controls
- Communicate to senior management and the Committee any significant interim changes to the internal audit plan
- Ensure each engagement is properly executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with findings, recommendations, and auditee's corrective action plans and implementation dates.
- Follow up on engagement findings and corrective actions and report periodically to senior management and the Committee corrective actions not effectively implemented
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld
- Ensure internal audit staff collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter
- Ensure emerging trends and successful practices in internal auditing are considered
- Seek to ensure conformance of IA with the *Standards*
- Administer the university's anonymous reporting hotline

Internal Audit Plan:

At least annually, the Director will submit to senior management and the Subcommittee an internal audit plan for review and approval by the Subcommittee. The internal audit plan will consist of a summary work schedule as well as budget and resource requirements for the next fiscal year. The Director will communicate the impact of resource limitations and significant interim changes to senior management and the Subcommittee. The internal audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of senior management and the Subcommittee. The Director will review and adjust the plan, as necessary, in response to changes in the

University's business, risks, operations, programs, systems, and controls. Any significant deviation from the approved internal audit plan will be communicated to senior management and the Subcommittee.

Reporting and Monitoring:

A written report will be prepared and issued by the Director or designee following the conclusion of each internal audit engagement and will be distributed as appropriate. Internal audit results will also be communicated to the Audit Subcommittee. The internal audit report will include management's response and corrective action plan in regard to the specific findings and recommendations. Management's response should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented. The internal audit activity will be responsible for appropriate follow-up on engagement findings and recommendations. All significant findings will remain in an open issues file until cleared.

The Director will periodically report to senior management and the Subcommittee on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan. Reporting will also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management or the Subcommittee.

Approved this __ day of _____, 2023

Michelle DiLullo
Internal Auditor

Chair of the Audit Subcommittee

Neal McNally
Vice President for Finance & Business Operations



**RESOLUTION TO RENEW AND AMEND
THE AUDIT SUBCOMMITTEE CHARTER**

WHEREAS, the Audit Subcommittee Charter (the Charter) defines the subcommittee's purpose, authority, and responsibility; and

WHEREAS, the Charter establishes the subcommittee's relationship with the Finance and Facilities Committee of the Board of Trustees, authorizes access to records, personnel, and physical properties relevant to the performance of oversight responsibilities, and defines the structure of the subcommittee; and

WHEREAS, the Charter is reviewed and approved by the audit subcommittee at least every third year as part of its oversight of the subcommittee functions; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of Youngstown State University does hereby renew the Audit Subcommittee Charter, attached hereto.

**Board of Trustees Meeting
September 20, 2023
YR 2024-**

Youngstown State University
Audit Subcommittee Charter

Purpose

The primary function of the Audit Subcommittee is to assist the Board of Trustees in fulfilling its oversight responsibilities for the institution's accounting and financial reporting processes and audits by monitoring:

- the integrity of the University's financial statements,
- the independence, qualifications, and performance of its external and internal auditors,
- the University's system of internal controls, and
- the University's compliance with laws, regulations and codes of conduct.

Subject to State Auditor's role and requirements, the Audit Subcommittee will be responsible for the appointment, compensation, retention, oversight and evaluation of the University's external and internal auditors. The Audit Subcommittee shall maintain an effective, open avenue of communication among the external auditors, internal auditors, senior management and the Board of Trustees.

The Subcommittee's function is one of oversight, and as such it recognizes that management is responsible for preparing the financial statements and that the external auditors are responsible for auditing those financial statements.

The Subcommittee has the authority to retain legal, accounting and other advisors to assist in the performance of its responsibilities. The University shall compensate the independent auditors and advisors employed by the Audit Subcommittee and provide for associated administrative expenses.

Structure

The Audit Subcommittee is a subcommittee of the Finance & Facilities Committee of the Board of Trustees of Youngstown State University. Board members are appointed by the Governor of the State of Ohio. The Board will seek to ensure financial expertise on the Audit Subcommittee through appointments and training. Further, no member of the Audit Subcommittee may concurrently serve on the Investment Subcommittee.

Meetings

The Audit Subcommittee shall meet at least quarterly and at any other convenient date on an as-needed basis. The Audit Subcommittee may ask members of management or others to attend Audit Subcommittee meetings and provide pertinent information when needed. The Audit Subcommittee shall meet periodically with management, external auditors and the independent Internal Auditor.

Date Last Reviewed _____ 08-2023 _____

12-2015 Audit Subcommittee Charter

Youngstown State University
Audit Subcommittee Charter

Functions and Responsibilities

Internal Control

1. Review with management, Internal Audit and external auditors the adequacy and effectiveness of the University's policies for assessing and managing risk.
2. Examine internal and external auditors' findings of weaknesses and recommendations for the improvement of internal controls. Monitor management's response to and implementation of internal control recommendations.

Financial Reporting

1. Review annual financial statements prior to public release and discuss such statements with management and the independent auditors.
2. Discuss any changes in accounting principles, significant judgment areas and significant or complex transactions (including any off-balance sheet structures) that occurred. Consider management's handling of proposed audit adjustments identified by the independent auditors.
3. Consult with auditors and accounting personnel on the integrity of the internal and external financial reporting process. Determine if key reporting objectives are being met.

Independent Auditors

1. Serve as the authority to which the independent auditors report.
2. Review, at least annually, all relationships between the independent auditors and the University and assess the independent auditors' independence.
3. Review the audit scope and approach of the independent auditors' examinations and direct the auditors to areas that, in the Audit Subcommittee's opinion, require more attention. Audit engagement letters are to be addressed to the Audit Subcommittee rather than to management.
4. Discuss with the independent auditors any significant findings, difficulties, disagreements with management, restrictions on scope of the audit, or limitations on information or personnel encountered while performing the audit.
5. Pre-approve all significant audit and permitted non-audit services and related fees to be performed by the University's independent auditors. The Chairperson of the Audit Subcommittee shall have the authority to review and approve all such proposals and shall report back to the full Subcommittee at each meeting.

Internal Auditors

1. Review and examine the objectivity, effectiveness and resources of the internal audit function.
2. Concur in the appointment or replacement of the provider of internal audits services.
3. Review the internal audit plan for the current year and review the risk assessment procedures used to identify projects included in the plan.
4. Review the results of internal audit activities and track the progress of the internal audit plan.

Date Last Reviewed _____ 08-2023 _____

Youngstown State University
Audit Subcommittee Charter

Other

1. Ensure that appropriate code(s) of conduct/ethics are formalized in writing. Review management's monitoring of compliance therewith, including changes or waivers to the code(s).
2. Review legal and regulatory matters that may have a material impact on the financial statements and the related compliance policies and procedures.
3. Ensure that procedures exist for the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters, including procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. Periodically review summary reports of such complaints.
4. Review and assess, at least every three years, the Audit Subcommittee's charter and performance, and submit changes to the charter for approval of the Board.
5. Recommend to the Board policies for hiring employees or former employees of the independent auditor.
6. Perform other oversight functions as requested by the Board of Trustees.

Date Last Reviewed _____08-2023_____

12-2015 Audit Subcommittee Charter



YOUNGSTOWN STATE UNIVERSITY

One University Plaza, Youngstown, Ohio 44555

Sue Ewing, Bursar
Lauren Muir, Associate Bursar
Katrena Davidson, AVP Finance and Controller
Youngstown State University

August 10, 2023
Audit #2023-01

Dear Ms. Ewing, Ms. Muir, & Ms. Davidson:

Internal Audit has completed an internal control assessment of the key processes related to student accounts within the Office of University Bursar. This audit was completed to provide assurance on the presence, adequacy, design, and operating effectiveness of the internal controls related to the objectives of the Office of University Bursar.

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

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

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

Objectives

The primary objectives of this audit were as follows:

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

Office of Internal Audit

330.941.1425

Scope and Procedures

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

- student billing processes
- student fee structure
- student accounts receivable processes
- student collections management.

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

- review of applicable university and student accounts policies and procedures within the Office of University Bursar
- conducting walkthroughs or processes performed pertaining to student accounts by Office of University Bursar staff
- testing internal controls by review of documentation and related support
- inquiring of Office of University Bursar staff

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

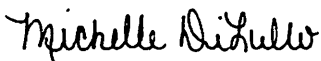
Opinion

Based on the results of procedures performed in the Office of University Bursar Audit, the internal controls related to the key processes in that department **Require Improvement**.

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

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

Sincerely,




Michelle DiLullo
Staff Auditor, Internal Audit

cc: H. Lafferty
N. McNally
Audit Subcommittee

Audit #2023-01
Student Accounts, Bursar's Office
Internal Audit

Acknowledgement of Responsibility

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


Sue Ewing, Bursar, University Bursar

8/2/23
Date


Lauren Muir, Associate Bursar, University Bursar

8/2/23
Date


Katrena Davidson, AVP Finance & Controller, Controller's Office

8-7-23
Date

Student Accounts- Bursar's Office
Audit #2023-01
Executive Summary

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

Summary of Audit Comments			
Audit Comment (Risk Level)	Observation	Recommendation	Management Response
#1 Student Billing Procedures (High)	Student Billing Procedure needs updated to ensure completeness.	Enhance internal controls by implementing a periodic review of the Student Billing Procedures to ensure they are updated and complete.	Periodic review and updates for continual improvements are done at least annually and as staff are trained to ensure accurate documentation is maintained and up to date.
#2 Daily Balancing Documentation (Medium)	Although daily balancing procedures were being performed, procedures were not always completely documented.	Enhance daily balancing procedures to ensure documentation is complete include date, explanation of variance, and preparer/reviewer sign-off.	Documented procedures for daily balancing include the recommended items but reconciliation spreadsheet was updated to include that credit card differences are a timing difference. Revised spreadsheet used beginning July 2023.
#3 Student Bill Presentation (Medium)	Student bills appeared lengthy and complex due multiple charges going on and off the account.	Evaluate developing script to combine charges for more simplified, condensed presentation on student bills.	Discussions have occurred and meetings are scheduled with Kent State to explore opportunities for YSU to utilize and modify existing script used by Kent State. An IT work order has been established to move forward to simplify and condense the presentation of the student bills by summer of 2024.
#4 Reducing Cash Collections (Medium)	Cash payments are still being made leading to the inherent risk of collecting and handling cash.	Consider implementing policies and procedure to further reduce the amount of cash payments collected and processed.	Realizing the inherent risk of collecting and handling cash the Bursar office collaborated with PNC and the Penguin Service Center earlier this year and implemented potential opportunities to reduce cash payments received from students. Continued efforts will be made to further reduce the amount of cash payments collected and processed.

<p>#5 Student Write-off Review <i>(Medium)</i></p>	<p>Write-off transactions are posted manually without detailed review to ensure transactions are accurate and proper.</p>	<p>Enhance internal controls over manual write-offs. Complete the process to automate the write off process to ensure accuracy and efficiency.</p>	<p>A review of write-offs in total is completed by the Bursar and Controller's office on an annual basis. Discussions and documentation for a work order to automate the write-off process was already in place prior to this audit.</p>
<p>#6 Review of Appeals Postings <i>(Low)</i></p>	<p>Consistent review of the recording of approved student appeals was not performed.</p>	<p>Enhance controls to ensure consistent review of recording of approved student appeals. Ensure the review is included in documented procedures.</p>	<p>Workpapers were updated to include evidence of review to make sure that there is a consistent review of appeal calculations. Documented procedures will be periodically reviewed</p>
<p>#7 Documented Review of TGRCSHR Report <i>(Low)</i></p>	<p>There is not a documented sign-off on the review of the TGRCSHR report.</p>	<p>Enhance controls by implementing a sign-off to document weekly review of the TGRCSHR report.</p>	<p>A spreadsheet has been developed to document evidence of review.</p>

Audit Comments
Student Billing, Collections, & Accounts Receivable
Internal Control Assessment
Audit #2023-01

Audit Comment #1 Student Billing Procedures (High)

Observation:

Documentation of student billing processes ensures the transfer of knowledge during staff transitions and is an essential part of succession planning. Student billing processes are documented in the Student Billing Procedures. The Student Billing Procedures is a new document and updating and adding to these procedures will be an ongoing process. Without complete documentation of the student billing procedures a disruption to the student billing process could impact timely and accurate student billing.

Recommendation: Enhance internal controls by implementing a recurring periodic, such as annual, review of the Student Billing Procedures to ensure they are updated and complete.

Management Response: The Student Billing Procedures is a new document and although significant progress has been made, it is not yet complete. Periodic review and updates for continual improvements are done at least annually and as staff are trained to ensure accurate documentation is maintained and up to date. The Associate Bursar will continue to work with staff to incorporate various jobs and procedures to ensure accurate documentation is maintained and up to date and centralized in one location.

Implementation Date: July 2023

This recommendation was completed during the final stages of the audit and has been closed.

Audit Comment #2 Daily Balancing Documentation (Medium)

Observation:

A procedure is in place to reconcile payments recorded to the bank account daily. The daily balancing/reconciliation is an important process to ensure errors and improper activity are timely identified. Thus, balancing documentation must be accurate and complete. During testing, the daily balancing appeared adequately prepared and supported. However, several items were not documented on the daily balancings, including the date of the balancing, explanation for variances (upon inquiry were noted to be due to timing difference from credit payments), and preparer/reviewer sign off prior to Fall 2022.

Recommendation: Enhance daily balancing procedures to ensure documentation is complete including date of balancing, explanation of variance, and separate preparer/reviewer sign-off. Ensure documented procedures for daily balancing include these items.

Management Response: Documented procedures for daily balancing already include the recommended items but during the switch from paper documents to electronic the dates and signatures were no longer maintained. Upon discovery last fall the electronic process was changed to include preparer and reviewer

signatures and dates reviewed. Variances other than the credit card timing differences were already noted and documented. The reconciliation spreadsheet was updated to add language that the credit card difference is a timing issue.

Implementation Date: July 2023.

Audit Comment #3 Student Bill Presentation (Medium)

Observation:

Student bills are an important representation of the University that impacts student perception. When reviewing student bills, they appeared lengthy and complex due to the presentation of multiple charges going on and off the account. Thus, it may be difficult for students/parents to review and interpret the charges. However, through development of scripts, charges may be combined for presentation on bills, while the detail of the student's account activity would still be accessible in the student portal.

Recommendation: Evaluate developing script to combine charges for more simplified, condensed presentation on student bills.

Management Response: Due to Banner limitations the student can either see all detail activity in their student portal as it occurs or wait and see each charge summarized and reflected in their portal the next day. Past conversations with student government and student groups indicated that they preferred to see the detailed activity as it occurred. As a result, the student bills reflected all detailed activity. The internal auditors set up a meeting with Kent State, another Banner school, to discuss how their bills were generated as their bills are summarized and students can still see detailed activity. Discussions have occurred and meetings are scheduled with Kent State to explore opportunities for YSU to utilize and modify existing script used by Kent State. An IT work order has been established to move forward to simplify and condense the presentation of the student bills. The implementation depends on IT resources and the complexity of the script needed.

Implementation Date: Target date is summer 2024.

Audit Comment #4 Reducing Cash Collections (Medium)

Observation:

Student payments may be made online, by mail, via payment drop box, or in person payments may be made at the Cashier's Office window during limited hours. While online and non-cash payment methods are encouraged, cash is accepted at the payment window. The cashier's office has strong procedures and practices in place to securely handle cash. However, there are inherent risks to the collecting and handling of cash. Reducing or eliminating cash payments further mitigate risks related to cash.

Recommendation: Consider implementing policies and procedure to further reduce the amount of cash payments collected and processed.

Management Response: Realizing the inherent risk of collecting and handling cash the Bursar office collaborated with PNC (our banking partner) and the Penguin Service Center (PSC) earlier this year and

implemented potential opportunities to reduce cash payments received from students. When a student comes to PNC to withdraw cash to pay YSU or open an account PNC staff will help educate student on other payment options available including debit card and ACH transactions. Since the majority of excess cash comes from international students, and the international student population is anticipated to continue to grow, the Bursars office worked with PSC to help better educate international students, as well as domestic students, on the various payment methods available. The PSC implemented a new process this year where every incoming first-year student needs to attend a Fund Your Education session which is a small group discussion where students walk through their individual payment and financial situation to make sure they understand what they need to pay and help them come up with a plan of action to pay their balance. The Fund Your Education presentation encourages students to enroll in a payment plan which requires online payments therefore reducing cash payments. The presentation has visuals to show how to input checking account information to process an ACH and illustrations for debit/credit card payments to encourage online payments. The Fund Your Education sessions started in May for domestic students and June for international students. These efforts should contribute to the reduction of large cash payments. Continued efforts will be made to further reduce the amount of cash payments collected and processed.

Implementation Date: June 2023

Audit Comment #5 Student Write-off Review (Medium)

Observation:

Once a student account receivable meets defined criteria it is deemed uncollectable and written off. The write off transactions are posted manually to the students by Bursar office staff, The Bursar reviews activity of Bursar staff on the TGRCSHR report. However, a detailed review of the manual posting to ensure transactions are accurate and proper is not performed. Automating the process would make the process more efficient, eliminate the possibility of human error, and ensure accuracy of transactions without detailed manual review.

Recommendation: Enhance internal controls to ensure write-off transactions are accurate and proper. Complete the process to automate the write off process to ensure accuracy and efficiency reducing the volume of manual transactions for posting and manual review.

Management Response: Due to staffing resources, volume of write-off entries, and potential risk a manual review of each individual write-off is not completed. If a write-off was accidentally completed for more than what should have been written off, it would be caught when reviewing refunds. If it was not written off for enough, it would be caught the next time write-offs were processed. A review of write-offs in total is completed by the Bursar and Controller's office on an annual basis and any unusual differences are investigated and documented. Discussions and documentation for a work order to automate the write-off process was already in place prior to this audit.

Implementation Date: December 31, 2023

Audit Comment #6 Review of appeals postings (Low)

Observation:

A control has been developed to ensure transactions to record approved student appeals are accurate and posted to proper student's account. However, the review was not consistently performed during the audit period while the staff member who primarily performed the control was out on leave. The control was not included in documented procedures to ensure it can be identified and assigned to another staff member.

Recommendation: Enhance controls to ensure consistent review of recording of approved student appeals. Ensure the review is included in documented procedures and procedures are periodically reviewed and communicated to appropriate Bursar's office staff.

Management Response: Workpapers were updated to include evidence of review to make sure that there is a consistent review of appeal calculations. Documented procedures will be periodically reviewed.

Implementation Date: June 2023.

Audit Comment #7 Documentation of supervisory review of TGRCSHR report (Low)

Observation:

A control is in place to ensure oversight of changes made on student accounts. The TGRCHSR report is received weekly by the Bursar for each staff member and is reviewed for unusual activity and investigated if needed. However, there is no sign-off to document that the review has been performed.

Recommendation: Enhance controls by implementing a sign-off to document weekly review of the TGRCSHR report.

Management Response: A spreadsheet has been developed to document evidence of review.

Implementation Date: July 2023.

YSU Anonymous Reporting Hotline
Aggregated Statistics
Fiscal Year 2023 Quarter 4

Hotline Activity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year To Date Total
------------------	-----------	-----------	-----------	-----------	---------------------------

Reports received	4	1	10	0	15
------------------	---	---	----	---	----

Closed					
Unsubstantiated/insufficient information	-	1	-	-	1
Process enhancements noted	-	-	-	-	-
Investigation	3	-	1	-	4
Referred	1	-	9	-	10
Total Closed	4	1	10	0	15

Under review at quarter end	-	-	-	-	
-----------------------------	---	---	---	---	--

Reporting Method	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year To Date Total
Ethicspoint Phone	1	1	-	-	2
Ethicspoint Website	3	-	10	-	13
Total:	4	1	10	0	15

Reporter Anonymity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Fiscal Year To Date Total
Anonymous	4	-	9	-	13
Not anonymous	-	1	1	-	2
Total:	4	1	10	0	15

Youngstown State University
Quarterly Internal Audit Plan Update
FY23 Q4 April 1 - June 30, 2023

Projects								
Project Area	Risk Category	Risk Level*	Status**	Actual Q2 Hours	Actual Q3 Hours	Actual Q4 Hours	Actual YTD Hours	Audit Plan Budgeted Hours
Current Year Audits:								
Student Billing, Collections, and Accounts Receivable	Financial & Operational	High	Completed	74	208	170	452	200
Banner User Access	IT & Compliance	High	Completed	-	6	2	8	20
Division of Workforce Education & Innovation	Operational, Financial, & Compliance	High	In Process	-	4	-	4	200
Facilities and Building Access	Facilities, Operational, & Compliance	High	Planned	-	-	-	-	200
Consulting & Advisory								
Enterprise Risk Management/Other	Various	Moderate	Ongoing	2	7	-	9	155
Continuous Auditing Analytics								
Payroll	Financial, Operational, Compliance	Moderate	Ongoing	39	38	40	117	75
Accounts Payable	Financial, Operational, Compliance	Moderate	Ongoing	50	40	33	123	75
EthicsPoint Hotline Monitoring	Various	High	Ongoing	6	42	-	48	40
Follow-up on Open Audit Recommendations	Various	Various	Ongoing	14	4	-	18	70
Total Project Hours				185	349	245	779	1,035

***Risk Level**

Assessment of potential impact of risks and likelihood of risk events occurring; rating drives Internal Audit plan priorities:
High - significant risk area, high priority for Internal Audit coverage
Medium - moderate risk area, moderate priority for Internal Audit coverage

Non-Project Hours								
Category	Actual Q2 Hours	Actual Q3 Hours	Actual Q4 Hours	Actual YTD Hours	Audit Plan Budgeted Hours			
Professional Development	40	24	-	64	75			
Administrative:	295	147	275	717	450			
Total Administrative Hours				335	171	275	781	525

Total Hours 520 520 520 1,560 1,560

****Status Definitions**

Planned - as per audit plan, schedule to start in current FY
In Process - in progress at quarter end
Complete - audit procedures concluded and results communicated
Deferred - moved from current FY plan per updated risk assessment

Audit Recommendations Status- FY2023 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	Policies will be developed in this area.	The Office of Student Activities has recently upgraded to a new management system called CampusGroups which trains and tracks members of student organizations. It will track and tag all student treasurers to complete the training module.	The CampusGroups implementation has been taking longer than expected. Work is being done to set up all the components of the new system. We are on track to complete this recommendation by mid-semester.
Dated Issued	2/17/2020	-----	requirements including tax status, accounting concepts, record keeping, contract requirements, funding mechanisms and procedures, disbursement controls, agency account and off-campus cash accounts.			
Risk Category	Financial	Student Organizations Audit				
Risk Level	Low					
Division	Student Experience					
Deadline	8/31/2020					
New Deadline	12/31/2023					
Current Status	On Schedule					

ERM Update Sept 2023

➤ 2022 Risks

- Minors/Youth on Campus (under 18 yrs) COMPLETE
- Liability Releases and Waivers/ Student Travel COMPLETE
- Employment and Productivity
- Data Security ON GOING
- Mental Health of Students and Employees ON GOING
- Research- Regulatory and Legal Compliance

➤ 2023 Risks

- Data Security 2022
- Mental Health of Students and Employees 2022
- Employment and Productivity 2022
- Research- Regulatory and Legal Compliance 2022
- Campus Safety, Security, and Emergency Response NEW

Risk Review

- Data Security
 - Migrated Share Data to the Cloud
 - Data Immutability
 - Began research on Data Loss Prevention options
 - Reviewed Data Destruction Policy
- Mental Health



YOUNGSTOWN
STATE
UNIVERSITY