

Housing and Residence Life Key Risks and Results

College and University Auditors of Virginia Conference 2024



OLD DOMINION
UNIVERSITY

Background

- 5,000+ students live in campus housing
- 14 residential buildings
- Around 26 full-time front office/administrative staff members, 200+ student employees
- FY23 budget was approximately \$42M
- Services
 - Managing campus housing
 - Housing for camps and conferences
 - New employee housing



Objectives

- The general objective of the audit was to provide management with an independent assessment of the design of internal controls and operations of the department and to determine whether:
 - Adequate internal controls and operating procedures exist;
 - The department is in compliance with State and University policies, procedures and guidelines; and
 - The department is operating efficiently and effectively.



Areas Reviewed

StarRez Access and Reconciliations

Position Descriptions

General Expenses

Budget Reconciliations

Fire Drills/Safety Checks

Web Time Entry Overrides

Covid-19 Refunds

Revenue

Special Programs/Employee Housing

Change Fund

RA Training

Keycard Access/Temporary Access Cards

Contract Administration

Camps and Conferences Billing

Physical Keys

Emergency Management

Records Management

Small Purchase Charge Cards

Evictions

Fixed Assets

Performance Evaluations

Goal Setting and Assessment



Audit Results – Strengths

- Fixed Assets
 - Assets are tracked adequately. Location data was input when department was made aware of missing data.
- Performance Evaluations
 - All performance evaluations were completed as expected.
- Fire Drills
 - All required fire drills were conducted as expected.
- COVID-19 Refunds
 - HRL worked with Finance to establish a well-defined process for refunds.



Physical Keys – Key Risks

- Physical safety of employees and residents.
- Cost of replacing keys and re-keying locks.
- Potential for theft, tampering and vandalism.
- Reputational damage arising from failure to protect students, employees and partners.



Physical Keys– Control Points

1. Keys are kept locked at the front desk.
2. Access is limited to students who reside in the room that they are requesting a key for.
3. Key audits are performed to look for missing keys.
4. Locks are rekeyed when keys are missing.
5. Department maintains an SOP on key audits.
6. Staff are trained in how to handle missing keys.



Physical Keys – Primary Issues

- Physical keys to residential dorms are not fully controlled or audited as expected.
- Audit key inventory checks for a sample of buildings indicated 68 keys missing of which 33 did not have the lock change process initiated weeks after the inventory check, which impacts the ability to recoup the costs incurred from the student.
- While the SOP noted that key audits occur twice daily, actual stated practice was once daily. However key audit records requested for 10 buildings for a single day revealed only 2 occurred for the date requested and others ranged from the day prior to 49 days prior.



Physical Keys – Recommendations

- Review current practices and the SOP and bring into alignment.
- Enhance the SOP to include specific timeframes for when missing keys need to be reported.
- Periodically remind front desk staff the importance of key audits and accurate records. Follow-up to ensure audits occur at the expected frequencies.
- Enhance the process to track lock change requests and follow-up as needed for resolution.



Electronic Door Access – Key Risks

- Physical safety of employees and residents.
- Potential for theft, tampering and vandalism.
- Data and information breaches: unauthorized physical access to servers, storage devices, or networking equipment, potentially leading to data breaches, data loss, or manipulation of critical systems.
- Loss of accountability for incidents and breaches due to individuals entering certain areas not being tracked and logged.
- Reputational damage arising from failure to protect students, employees and partners.



Electronic Door Access – Control Points

1. Employee access is limited to those with active status.
2. Access groups are appropriately defined relative to their description.
3. Access granted to non-student employees is appropriate for title and classification.
4. Access granted to student employees is appropriate based on title and classification.
5. Access granted to non-employees excluding student, temp and department service cards is appropriate based on cardholder and intended usage.
6. Access for evicted students is terminated timely as per internal standards.
7. The process by which HRL access in CS Gold is managed through data feeds from StarRez and Banner is adequately designed to appropriately control access based on residence.
8. Documentation supporting the most recent fall and spring keycard internal access audit indicates that procedures are adequate, were followed, and expected objectives were achieved.
9. Master access groups are appropriately controlled and assigned.



Electronic Door Access – Primary Issues

- Electronic door access to Housing and Residence Life spaces is not fully controlled or reviewed.
- 444 active temporary cards were identified for which the department was not able to identify all cardholders or verify current reasonable purpose.
- Cards issued for temporary access to Owens House dorm rooms have broader pre-existing access that is not automatically removed when the expiration time is reached.
- Removal of access for evicted students was determined to not be acted upon timely and in some cases at all through the StarRez checkout process.



Electronic Door Access – Data Records

- 175,274 records (Housing alone, active access)
- 11,791 active cards
- 448 doors
- 111 Patron Groups
- 17 schedules



Electronic Door Access – Other Issues

- Access remains active for 18 former employees.
- Dorm room access granted to non-residents (One occurrence).
- Assignment of master access to non-housing employees.
- Vendors, non-students, non-ODU employees with 24/7 access.
- Inconsistencies between access and patron group name.
- Inconsistencies between access and user classification.



Electronic Door Access - Recommendations

- Conduct a comprehensive audit of all keycard access to HRL doors.
- Deactivate temporary cards of unknown location or unknown business necessity.
- Update the SOP to reflect current processes in place including 15-minute expiration dates (72 hours would be an exception), who can approve additional access, and where cards should be maintained.
- Once a card is recorded as missing HRL should verify all access is removed promptly.
- Adhere to the department's policy for terminating keycard access of evicted students.
- Resolve technical issues associated with the StarRez checkout process. Until resolved, a process needs to be implemented to manually remove access from cards after the checkout process is run.



Employee Housing Arrangements – Key Risks

- Legal liability
- Reputation risk/favoritism
- Tax implications



Employee Housing Arrangements – Control Points

1. With appropriate approvals, HRL allows departments to request that their employees stay on campus housing for a set period of time.
2. Contract templates exist.
3. Rent was charged and paid.



Employee Housing Arrangements – Issues and Recommendations

- Pricing was different by employee; contracts were not always signed, and Payroll taxes were not levied as Payroll was not aware of this arrangement.
- Recommendation: In addition to following the newly created SOP, we recommend the following:
 - Inform sponsoring departments that no employee shall be accepted into housing without a signed agreement from the sponsoring department.
 - HRL should inform Payroll when housing end dates change from the original provided contract.



Contract Administration – Key Risks

- Loss of revenue
- Operational disruption
- Data security and integrity
- Compliance violations
- Legal liability
- Reputational damage
- Loss of competitive advantage



Contract Administration – Control Points

1. There is a designated contract administrator who is aware of and exercises their role and responsibilities.
2. The designated contract administrator has a current copy of the contract.
3. The contract was executed and approved by those with proper authority.
4. The contract administrator is performing expected activities under the contractual terms and conditions and responsibilities described in the contract administrator agreement with Procurement Services.
5. Purchase orders comply with the contract's terms and conditions
6. Revenues received for the last 2 years match the agreed upon amount, if applicable.



Contract Administration - Issues

Dorm Merchandising

- A complete and current contract file is not maintained.
- Commissions for a whole calendar year were not received and prior remittances were not validated against sales reports.
- Bonus payments for renewals were not received for at least the last 2 annual renewals.

Residential Management Platform

- Vendor third-party security reports are not being verified.
- Pricing structure was not verified prior to submission of the purchase order for renewal.



Contract Administration - Recommendations

- Create a scheduled task list of all actions necessary to assure that both the vendor and University meet their contractual obligations.
- Work with vendor to collect amounts due for prior renewal bonuses and commissions for sales campaigns held after fall 2021.



Time and Leave Overrides

- Automated test template
- Continuous auditing initiative
- Banner Web Time Entry
- Monthly reports of timesheet entry records
- Overrides occur when a timesheet is submitted and processed for payroll without being approved by the supervisor.
- Overrides can occur for hourly and exempt employees.



Time and Leave Overrides – Key Risks

- Culture of non-adherence to policy.
- Leave abuse.



Time and Leave Overrides – Control Points

- Supervisors are provided reminders for timesheets awaiting review.
- HRL has a system where student hourly time is recorded.
- Supervisor sign-off on timesheets.



Time and Leave Overrides – Issues and Recommendations

- 8 of 27 approvers over the last year (24 pay periods) did not consistently approve their employees' timesheets. All 8 approvers had overrides in more than 2 pay periods, while two approvers had 8 pay periods with overrides. Performance has improved over the last 6 pay periods (5/1/2023-7/14/2023) which shows 2 of 27 approvers exceeded the allowable override rate.
- There were 135 overridden timesheets during this period, with 108 attributed to hourly employees.
- Recommendation: Management should emphasize to the approvers the importance of reviewing and approving employee timesheets to monitor time, ensure time reported is accurate and make any needed adjustments. Timesheets must be approved by approvers/supervisors timely in accordance with the Payroll Schedule.



Questions?

