

# Internal Audit Report

March 2, 2023

# Institutional and Outside Scholarship Controls

Audit Objectives	RISK MITIGATION			
	Adequate Controls & Practices	Opportunity for Minor Improvement	Opportunity for Moderate Improvement	Opportunity for Significant Improvement
Evaluate the adequacy of controls over the awarding and processing of institutional scholarships				
Evaluate the adequacy of controls over the receipt, processing, and posting of outside scholarships				
Verify recipients of institutional scholarships met initial and continuing eligibility requirements				
Verify outside scholarships are properly posted to student accounts				

# Institutional and Outside Scholarship Controls

## Control Issues and Responses

- **Issue 1:** The process for posting outside scholarships involves manual manipulation of scholarship data by the Associate Bursar prior to uploading and posting the awards to student accounts.
- **Response:** The Director of Student Financial Assistance will investigate alternative processing methods to eliminate manual manipulation of scholarship data. The review is targeted for completion by March 31, 2023.

# NCAA Student Athlete Eligibility

Audit Objectives	<i>RISK MITIGATION</i>			
	Adequate Controls & Practices	Opportunity for Minor Improvement	Opportunity for Moderate Improvement	Opportunity for Significant Improvement
Adequacy of written policies and procedures				
Adequacy of controls in place for determining and monitoring the eligibility of student athletes to practice, compete, and receive athletically related aid				

# NCAA Student Athlete Eligibility Control Issues and Responses

- **Issue 1:** The athletics compliance manual had not been updated to include the new and revised procedures implemented to comply with Division I requirements.
- **Response:** The Associate Athletic Director and Compliance Coordinator is in the process of updating the USI Athletics Compliance Manual with a targeted completion date of January 31, 2023.

# NCAA Student Athlete Eligibility Control Issues and Responses

- **Issue 2:** The job description for the Associate Athletic Director had not been updated to reflect responsibilities for supervising the newly created positions of Director of Compliance and the Director of Academic & Support Services for Student-Athletes.
- **Response:** The Athletic Director will work with Human Resources to finalize updates to the Associate Athletic Director job description by January 31, 2023.

# Federal Student Aid Compliance

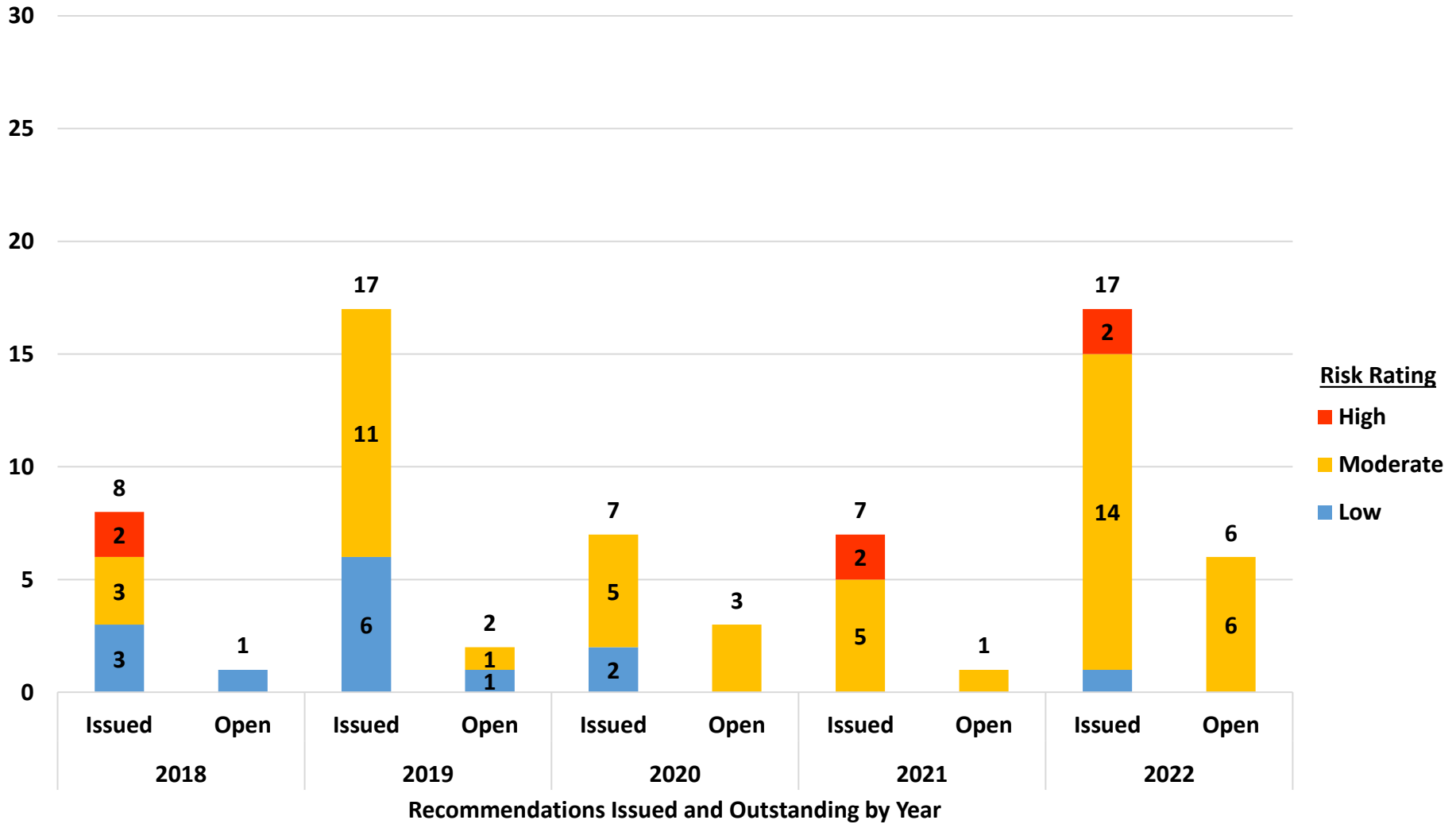
Audit Objectives	RISK MITIGATION			
	Adequate Controls & Practices	Opportunity for Minor Improvement	Opportunity for Moderate Improvement	Opportunity for Significant Improvement
Compliance with Institutional Eligibility Requirements				
Compliance with Federal Student Financial Assistance General Eligibility Requirements				
Compliance with Federal PELL Grant Requirements				
Compliance with Federal Campus-Based Program Requirements				
Compliance with Federal Direct Loan and PLUS Loan Requirements				
Compliance with other federal requirements contained in the Compliance Supplement				
Fiscal Operations Report and Application to Participate (FISAP) Completed Accurately and Submitted Timely				
Policies, Procedures and Other Issues				

# Audit Recommendation Matrices

- Rating definitions
  - Low – Minor issue; characterized by insignificant financial impact or minimal impact on ability to meet goals and objectives
  - Moderate – Medium-priority internal control or risk management issue; characterized by modest financial losses, reputation damage, or delayed achievement of goals and objectives
  - High – Significant internal control or risk management issue; characterized by high susceptibility to fraud or misappropriation, material financial impact, considerable damage to reputation, or inability to achieve goals and objectives



# Audit Recommendation Status Update



# 2023 Internal Audit and Advisory Services Plan

QUARTER BEGINNING	AUDIT AREA	DESCRIPTION	HOURS
January 2023	Purchasing Card	Risk assessment and review of processes and controls over purchasing card usage	200
	Academic Accreditation	Review procedures and controls for monitoring and maintaining academic accreditation	220
	Internal Control Documents for financial statement audit	Documentation of accounting and financial reporting controls for state auditors	125
April 2023	Barnes & Noble First Day Complete	Review controls over the student opt-in/opt-out process and fee assessment	75
	University Risk Management Committee	Facilitation of University Risk Management Committee activities	150
	Investments	Review investment management agreements and compliance with policy	200
	Housing & Residence Life	Review new residential management software user access and controls over billing and residence contracts	200
	Facility Operations Storeroom	Physical inventory observation	50
July 2023	Uncollectible Account Analysis	Analyze uncollectible student accounts for common themes and trends	150
	Athletics	Name, Image, & Likeness (NIL) compliance review	150
	Federal Student Financial Aid	Review administration of federal student aid for compliance with federal requirements governing Title IV student aid programs	250
	IT Security Initiatives	Monitor progress on security findings from prior IT security and privacy audits & coordinating follow-up to past external audit reviews	200
October 2023	External Audit Support	Support for external auditors performing federal financial aid audit and state aid agreed upon procedures	100
	Registrar - Degree Conferral	Review controls over academic degree conferral	220
	Drug Free Schools and Communities Act	Review institutional policies and procedures for compliance with regulatory requirements	200

**Total Hours** **2,490**

Hours Available 2,530

Hours available for unscheduled audits 40