

Internal Audit Report

September 6, 2018

Undergraduate Admissions

Audit Objectives:	<i>RISK MITIGATION</i>			
	Adequate Controls & Practices	Opportunity for Minor Improvement	Opportunity for Moderate Improvement	Opportunity for Significant Improvement
Evaluate the relevance of prospective student profile information and correlation to admission standards				
Evaluate geographic assignments of undergraduate admission (UA) counselors for travel efficiency and workload				
Evaluate the administration of admission standards to applicants				
Review controls over the assessment and waiver of admission application fees				
Verify students receiving scholarships awarded through the admission process met eligibility requirements				

Undergraduate Admissions Control Issues and Responses

- **Issue 1:** There is not an independent review of manually entered high school transcript information such as GPA and some SAT/ACT test scores
- **Response:** Implement an independent review of manually entered GPA and SAT/ACT test scores for accuracy
- **Issue 2:** The current admission decision process requires the associate director to perform a series of data sorts multiple times a day and requires manual entry of the admission decision into Banner.
- **Response:** Automate components of the admission decision process

Undergraduate Admissions Control Issues and Responses

- **Issue 3:** There is not a recurring report of possible admission decision errors (denied/approved applicants who meet/do not meet admission requirements)
- **Response:** Generate and review an exception report to detect incorrect admission decisions
- **Issue 4:** There is not a systematic review of admission application fee waivers claimed by applicants and promotional codes may not have been used consistently
- **Response:** Update application fee waiver promotional codes and monitor their use

Undergraduate Admissions Control Issues and Responses

- **Issue 5:** There is not a recurring report of possible scholarship decision errors associated with the out-of-state scholarship awards
- **Response:** Generating and reviewing an exception report to detect inaccurate award decisions

Construction Change Orders

Audit Objectives:	<i>RISK MITIGATION</i>			
	Adequate Controls & Practices	Opportunity for Minor Improvement	Opportunity for Moderate Improvement	Opportunity for Significant Improvement
Construction change orders adhere to change order pricing guidelines				
Construction change order support is complete and mathematically accurate				
Construction change orders are properly authorized and approved				

Construction Change Order Control Issues and Responses

- **Issue 1:** Exhibit B to the Owner-Contractor Contract contains outdated references:
 - 1997 edition of the American Institute of Architects (AIA) Document A201 General Conditions of the Contract for Construction
 - Common Construction Wage which was repealed in July 2015
- **Response:** Completion of legal review and updates to the contract templates are expected by September 21, 2018

Construction Change Order Control Issues and Responses

- **Issue 2:** Several change orders on file were missing supporting documentation for a portion of the total amount of the change
- **Response:** Review of change order supporting documentation will be completed by at least one additional person who shall be identified by September 21, 2018

Other Audit and Advisory Activities

- Audit of NCAA Grant-in-Aid Compliance
 - Fieldwork complete; No significant issues
 - Report will be included in the next Internal Audit update in March
- Update of internal control documents for state auditors
- Review of online travel expense implementation project
- Analysis of scholarship and discount changes on enrollment and retention

Other Audit and Advisory Activities

- Risk Management review with Public Safety
- Advisory support to Athletics defining medical support wants/needs
- Monitoring and advising on IT security initiatives

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 Matrices

- 2014 Recommendations
 - One high priority item remaining
- 2015 Recommendations
 - Two high priority items remaining
- 2017 Recommendations
 - 27 recommendations issued on audits completed in 2017
 - 16 are completed or in progress
 - Of the 11 items remaining, 2 are high priority, 7 are moderate priority, and 2 are low

2018 Internal Audit Plan

QUARTER BEGINNING	AUDIT AREA	DESCRIPTION	HOURS
January 2018	Undergraduate Admissions	Review controls over admission of prospective students	120
	University Scholarships and Discounts	Evaluate yield from scholarships and discounts -retention and academic progress of recipients	220
	Internal Control Documents for Financial Statement Audit	Documentation of accounting and financial reporting controls for state auditors	100
	Campus Store	Physical inventory observation	40
April 2018	Construction Change Orders	Review construction change orders for third floor of Health Professions Building, Physical Activities Center, and Welcome Center	120
	University Risk Management Committee	Facilitation of University Risk Assessment Committee Activities	60
	Athletics Grant-in-Aid	Evaluate NCAA compliance	240
	Travel Expense Reporting	Review travel expense approval authority and evaluate internal controls established with implementation of new travel expense reporting system	220
	Facility Operations Storeroom	Physical inventory observation	50
July 2018	OMB Uniform Guidance	Assess University procurement processes for compliance with new procurement standards	150
	Federal Student Financial Aid	Grants and scholarships	250
	IT Security Initiatives	Monitoring progress on security findings from prior IT security and privacy audits & coordinating follow-up to Protiviti review	220
October 2018	State Student Financial Aid	Support for state auditors review of state student financial assistance	200
	Payroll	Review controls over payroll, employee withholdings, and remittance of tax withholdings	285
	Tax-Exempt Bonds Payable	Review for compliance with private business use restrictions	220

Items in blue are substantially complete

Total Hours	2495
Hours Available	2525
Hours available for unscheduled audits	30