

MINUTES
FINANCE/AUDIT COMMITTEE
UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES

March 3, 2022

The Finance/Audit Committee of the University of Southern Indiana Board of Trustees met on Thursday, March 3, 2022, in the Griffin Center on campus. Present were Committee Chair Christina M. Ryan, and Trustees Daniel M. Fuquay, Ronald D. Romain '73, and Kenneth L. Sendelweck '76. Also in attendance were Vice President for Finance and Administration Steven J. Bridges '89 M'95, Vice President for Development David A. Bower, Vice President for Marketing and Communications Kindra L. Strupp, and Chief Government and Legal Affairs Officer Aaron C. Trump.

Chair Ryan called the meeting to order at 9:15 a.m.

1. REVIEW OF COMPLETED AUDITS AND APPROVAL OF THE ANNUAL AUDIT PLAN

Ms. Ryan called on Vice President Bridges for a report of completed audits and approval of the annual Audit Plan. Mr. Bridges introduced Director of Internal Audit Brad Will, who reviewed the report of completed audits and other activities conducted by the Internal Audit Department in 2021. He referred the Trustees to Attachment A, a detailed report of the following audits, and reviewed the objectives, conclusions and recommendations of each audit:

- Campus Store Management Agreement and Sales Commissions
- Federal Student Aid Compliance
- Student Account Adjustments Risk Assessment

Mr. Will gave an overview of the status of audit recommendations from 2017, 2018, 2019, 2020, and 2021. He reviewed the proposed Internal Audit and Advisory Services Plan for calendar year 2022 in Attachment A. He noted in addition to what is outlined in the plan, Internal Audit intends to make themselves available in an advisory capacity to help support the transition to Division I athletics.

On a motion by Mr. Sendelweck, seconded by Mr. Fuquay, the Annual Audit Plan for Calendar Year 2022 was approved.

2. REVIEW OF FIRST DAY COMPLETE PROGRAM AND APPROVAL

Ms. Ryan called on Vice President Bridges for a report. Mr. Bridges began by proposing the adoption of a new miscellaneous fee for undergraduate students beginning in the Fall 2022 semester. The course materials fee will be \$24 per credit hour for the 2022-2023 academic year and be used primarily to fund the implementation of a program with Barnes & Noble called First Day Complete. Under First Day Complete, all undergraduate students would receive required course materials for the courses in which they enroll. Benefits of the program include reduced cost of books for students, improved student success through timely access to required course materials, and enhanced ability for current and prospective students and their families to budget for books. Because the fee would be charged to student accounts, students could use financial aid or a payment plan to pay the fee as they do all other fees.

Students will have the option of digital or printed materials when available. Students who pre-register for courses and opt for printed materials would receive a box with all required course materials before the beginning of each semester. Students will have the option to opt-out of the program and acquire materials on their own. National statistics from Barnes & Noble suggest that approximately 90 percent of students will elect to participate.

Mr. Bridges explained optional course materials, school supplies, kits, uniforms, art supplies, calculators, or items deemed not a textbook would not be covered under the program and purchased by students separately.

This fee would be subject to approval by the Board annually. As part of the contractual agreement with Barnes & Noble, the fee would be set each year in March to allow for planning and marketing of the program, particularly to new students. Approval of the fee by the Board will allow the University to finalize contract terms for the program and to develop a communication and implementation plan for the upcoming academic year. The fee would be branded with a unique name as part of the marketing strategy for the program, but the fee USI is proposing will remain in effect for the entire 2022-2023 academic year.

Mr. Bridges explained the fee for 15 credit hours would be \$360 per semester or \$720 per academic year at 30 credit hours. This compares to the \$1,200 that is the estimated cost of books currently for an undergraduate student enrolled in 30 credit hours. Savings per semester is estimated to be \$240, and savings per academic year is estimated to be \$480.

On a motion by Mr. Romain, seconded by Mr. Sendelweck, the recommendation to the Board of Trustees for approval of the First Day Complete Program was approved.

3. REPORT OF CONSTRUCTION CHANGE ORDERS ISSUED BY THE VICE PRESIDENT FOR FINANCE AND ADMINISTRATION

Ms. Ryan called on Mr. Bridges for a report of the construction change orders approved by the vice president for Finance and Administration. Mr. Bridges referred the Trustees to Attachment B which contains change orders related to the Physical Activities Center Phase II Renovation that do not exceed the \$50,000 approval authority by the Vice President for Finance and Administration and are therefore informational only. He noted the changes are actually credits for unused mitigation allowances that net credits of \$191,205 and \$36,022.

There being no further business, Chair Ryan adjourned the meeting at 9:42 a.m.



UNIVERSITY OF SOUTHERN INDIANA

Internal Audit Annual Report

Prepared by

Bradley V. Will, CPA
Director of Internal Audit

Kendra Groeninger
Internal Audit Manager

Report No. USIA21-5
 September 17, 2021

Audit Report Campus Store Management Agreement and Sales Commissions

Results at a Glance

Audit Objectives:	RISK MITIGATION			
	Adequate Controls & Practices	Opportunity for Minor Improvement	Opportunity for Moderate Improvement	Opportunity for Significant Improvement
Evaluate the adequacy of and compliance with the financial terms and conditions of the Campus Store management agreement				
Review the reconciliation of Campus Store charges billed to student accounts compared to amounts billed to USI				
Review Campus Store sales and commission reports for accuracy, completeness, and correlation to commission payments				

Introduction

Our report of the internal audit of the Campus Store management agreement and sales commissions is presented below. We would like to thank Melissa Hensley and Jeff Sickman who contributed positively to our results.

Background Information

The University of Southern Indiana transitioned the operation and management of the USI Campus Store to Barnes & Noble College Booksellers, LLC (Barnes & Noble) in October 2020 pursuant to a management agreement dated August 18, 2020. According to the agreement, Barnes & Noble operates the USI Campus Store located in the University Center West, the Campus Store website, and the Screagle Zone located in the Screaming Eagles Arena. The agreement requires Barnes & Noble to provide a full range of course materials, new and used textbooks, digital textbooks, custom published materials, open educational resources, Inclusive Access course materials, textbook rentals, technology products and supplies, course related supplies, emblematic clothing and gifts, and other merchandise expected from a full-service campus store. Students may elect to charge their Campus Store book and supply purchases to their USI student account. Barnes & Noble invoices the University for those charges. The agreement includes a commission arrangement whereby Barnes & Noble pays USI a commission based on sales multiplied by the agreed upon commission percentage.

Report No. USIA21-5
September 17, 2021

This report is based on a review of the Campus Store arrangement between USI and Barnes & Noble for the 2020-2021 fiscal year. The audit approach included reviewing the Management Agreement; interviews with USI personnel familiar with and responsible for performance under the agreement; reviewing reconciliations of Campus Store charges billed to student accounts compared to amounts billed to USI; and reviewing Campus Store sales and commission reports and disbursements for the 2020-2021 fiscal year. Internal audit relied on the financial reports provided by Barnes & Noble based on the understanding that controls over financial reporting are reviewed by external auditors in conjunction with the completion of independent annual financial statement audits.

The **objectives** of the audit were to:

- Evaluate the adequacy of and compliance with the financial terms and conditions of the campus store management agreement
- Review the reconciliation of campus store charges billed to student accounts compared to amounts billed to USI
- Review Campus Store sales and commission reports for accuracy, completeness, and correlation to commission payments

Conclusion

We noted **adequate controls and practices** with respect to the adequacy of and compliance with the financial terms and conditions of the Campus Store management agreement, as well as with respect to the reconciliation of Campus Store charges billed to student accounts. We noted **opportunity for minor improvement** with respect to Campus Store sales and commission reports.

Management will take or has taken the following actions:

- Requesting additional supporting documentation for gross sales reports

No additional action or response is required.

Bradley V. Will
Director of Internal Audit

Kendra Groeninger
Internal Audit Manager

Distribution: Jeff Sickman
Steve Bridges
Dr. Ronald Rochon

Report No. USIA21-5
September 17, 2021

**Campus Store
Management Agreement and Sales Commissions
Audit Report**

Control Issues and Responses

Requesting additional supporting documentation for gross sales reports

Issue: Based on a review of the gross sales reports by merchandise category provided by Barnes & Noble and discussions with USI accounting personnel, the course materials sales information for February 2021 through May 2021 included a category called “miscellaneous adjustments” with no additional details. In addition, none of the gross sales reports for 2020-2021 provided a breakout of website sales as required by Exhibit G of the management agreement.

Risk: The lack of detail (for adjustments and breakout of website sales) in the sales reports limits management’s ability to review and understand sales activity and validate commission calculations provided by Barnes & Noble.

Response: University management has requested more detailed sales information. In response, Barnes & Noble has granted Jeff Sickman, USI Controller and Assistant Treasurer, access to the Barnes & Noble reporting system (Birst). Jeff intends to obtain Birst access for Melissa Hensley, USI Staff Accountant, and the two of them expect to complete training on how to use the system by February 28, 2022.

Report No. USIA21-6
 January 11, 2022

Audit Report Federal Student Aid Compliance

Results at a Glance

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				

Introduction

Our report of the internal audit of USI federal student aid compliance is presented below. We would like to thank Joanna Riney, Cathy Nickens, and the Student Financial Assistance (SFA) staff, Angel Nelson and Registrar's Office staff, and Business Office personnel who contributed positively to our results.

Background Information

The federal student aid programs are authorized under Title IV of the Higher Education Act (HEA) of 1965, as amended, and administered by the U.S. Department of Education Federal Student Aid office. They include federal grants, loans, and work-study programs.

Report No. USIA21-6
January 11, 2022

SFA is responsible for monitoring the eligibility of prospective financial aid recipients, verifying certain applicant data as required by the Department of Education, determining the best combination of aid to meet each student's financial need, applying federal aid to student accounts within regulatory timeframes, and identifying over-awards and student withdrawals that require the return of federal funds. Business Office personnel are responsible for the drawdown, accounting, and return of federal student aid funds to the Department of Education, the administration of credit balances created from the application of federal student aid to student accounts, and preparation of the Fiscal Operations Report and Application to Participate (FISAP). The Registrar's Office is responsible for reporting the enrollment status of students receiving federal student aid to the National Student Loan Data System through the National Student Clearinghouse. Compliance with federal student aid regulations is critical because violations may jeopardize the institution's participation or reduce the institution's authorized level of participation in federal student aid funding.

Federal student aid compliance is reviewed annually by Internal Audit, as well as by the State Board of Accounts in conjunction with federal audit requirements. The previous internal audit was performed and reported on in January 2021, at which time Internal Audit noted adequate controls and practices for each of the audit objectives.

This report is based on the review of federal student aid activity for the fall 2020, spring 2021, and summer 2021 academic terms. The audit approach consisted of reviewing SFA procedures and controls, reviewing federal student aid regulations, interviews with USI SFA, Business Office, and Registrar's Office management and staff, and analysis of student records for the fall 2020, spring 2021, and summer 2021 academic periods. State grants and other non-federal aid were reviewed when those funds were awarded to students in the audit sample.

The **objectives** of the audit were to:

- Evaluate compliance with the Institutional Eligibility Requirements
- Evaluate compliance with the Federal Student Financial Aid General Eligibility Requirements
- Evaluate compliance with Federal PELL Grant Requirements
- Evaluate compliance with Federal Campus-Based Program Requirements
- Evaluate compliance with Federal Direct Loan & PLUS Loan Requirements
- Evaluate compliance with other federal requirements contained in the Compliance Supplement
- Determine whether the FISAP has been completed accurately and submitted on time
- Evaluate policies, procedures, and other issues not impacting compliance

Conclusion

In general, the results of our audit procedures indicate that the administration of USI federal student aid is in compliance with federal requirements governing the Title IV student aid programs. **Adequate controls and practices exist for each of the audit objectives evaluated.**

No additional action or response is required.

Bradley V. Will
Director of Internal Audit

Kendra Groeninger
Internal Audit Manager

Distribution: Joanna Riney
Cathy Nickens
Rashad Smith
Angel Nelson
Sandy Frank
Dr. Shelly Blunt
Jeff Sickman
Steve Bridges
Dr. Ronald S. Rochon

Report No. USIA21-7
December 15, 2021

Audit Report Student Account Adjustments Risk Assessment

Introduction

Our report of the risk assessment review of student account adjustments is presented below. We would like to thank Jeff Sickman, Emily Henson, and Cindy Miller who contributed positively to our results.

Background Information

Requests for adjustments to fees assessed to student accounts come from a variety of sources across the University. Some adjustments are initiated outside of the Bursar's Office and processed on ancillary systems (e.g. housing, meal plans, and campus store charges), which then feed to the billing system. Other adjustments must be processed by Bursar Office personnel based on requests from students, parents, or other University personnel. As a result, it can be challenging to ensure that all adjustments are properly authorized, appropriate supporting documentation is obtained, and the adjustments are properly recorded.

Internal Audit performed a risk assessment on student account adjustments. The risk assessment included interviews with the Bursar and Associate Bursar, Controller and Assistant Treasurer, and the Associate Director and Senior Assistant Director of Student Financial Assistance.

The objectives of the review were to:

- Identify each type of adjustment that may be requested or initiated on behalf of a student account
- Identify the source for each type of adjustment
- Determine how the adjustment request is communicated to the Bursar and initiated on the billing system
- Identify controls in place or required to prevent or detect potentially unauthorized adjustments

Conclusion

After reviewing the various types and sources of adjustments and the reliance of the adjustment process on email notifications, Internal Audit recommends that the Bursar's Office consider the development of a Qualtrics form to streamline and standardize adjustment requests. Standardizing these requests through an adjustment form should help ensure the appropriate information is collected and retained and that proper authorization for the adjustment has been obtained.

Based on discussions with management, the Controller and Bursar will develop a matrix by March 31, 2022, detailing the University positions that may submit and authorize different types of student account adjustments, as well as the supporting documentation required to process the adjustments. In addition, the Bursar will develop a Qualtrics form for the initiation of adjustment requests with a target for implementation by July 31, 2022.

No additional action or response is required.

Bradley V. Will
Director of Internal Audit

Kendra Groeninger
Internal Audit Manager

Distribution: Emily Henson
Jeff Sickman
Steve Bridges
Dr. Ronald Rochon

University of Southern Indiana
 Audit Recommendations Matrix
 Calendar Year 2017

AUDIT NAME	RISK RATING	RECOMMENDATION	RESPONSE	TARGET	STATUS
Child Protection Policy (CPP) and Procedures					
<p>1. The following issues were noted during a review of 15 University-sponsored child-related events held during the 2016 calendar year:</p> <ul style="list-style-type: none"> • Eight events did not use a Background Check Tracking Form • Five programs were missing at least one volunteer's Program Participant Form • Seven events were missing at least one volunteer's Authorization for Background and Sex Offender Registry Checks • Seven programs did not conduct Background Sex Offender Registry Checks as required by the CPP and/or Child Protection Committee (CPC) instructions on the Event Planning Form 	Moderate	Implement a third-party background check or modify policy and procedures to simplify the process. If third-party checks are cost-prohibitive, consider a tiered approach for screening individuals that work with children (e.g. performing criminal background checks and sex offender registry checks through Human Resources on all employees participating in programs involving children, while only requiring sex offender registry checks utilizing the Raptor system for non-employee volunteers).	Management will implement a third-party background check by October 31, 2017. The University will utilize a tiered approach for screening individuals that work with children such as performing criminal background checks and sex offender registry checks through Human Resources on all employees participating in programs involving children, while only requiring sex offender registry checks utilizing the Raptor system for non-employee volunteers.	<p>October 31, 2017</p> <p>Revised target for implementation of Raptor screening: July 1, 2018 January 1, 2019 August 31, 2019</p> <p>Target for implementation of third-party background checks on new employees: May 31, 2019</p> <p>Revised: October 1, 2019 May 1, 2020 August 1, 2021 January 1, 2022 August 1, 2022</p>	<p>Raptor screening completed and ongoing</p> <p>Complete for hourly and administrative new hires</p> <p>In place for full-time faculty new hires January 1, 2021</p> <p>Revised target for adjunct new hires is August 1, 2022</p>

University of Southern Indiana
 Audit Recommendations Matrix
 Calendar Year 2018

AUDIT NAME	RISK RATING	RECOMMENDATION	RESPONSE	TARGET	STATUS
Undergraduate Admissions (UA) 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.	Low	Work with information technology personnel to automate the data sort process to eliminate manual sorting. Consider programmatically creating separate reports of applicants that meet admission criteria, applicants that are clearly denials, and applicants that require manual review. Consider automating the entry of the admission decision for the obvious approvals and denials.	UA plans to have the automated admission decision process and reports fully in place by spring semester of 2019 if the project queue in Information Technology (IT) allows. Revised Response: UA determined it was not feasible to utilize Banner functionality to automate admission decisions. UA will meet with IT to determine feasibility of custom programming and priority in the work queue. UA will reconvene with IT by September 30, 2021, to discuss automation options related to applicants who provide both GPA and test scores for admission decisions. UA met with IT in January 2022 to discuss automation options based on GPA and transcript type. Targeted rollout is March 31, 2022.	January 2, 2019 Feasibility meeting: September 30, 2019 Revised: March 31, 2020 November 30, 2020 September 30, 2021 March 31, 2022	Initial meeting held in November 2020 Follow-up meeting held in February 2021

University of Southern Indiana
 Audit Recommendations Matrix
 Calendar Year 2019

AUDIT NAME	RISK RATING	RECOMMENDATION	RESPONSE	TARGET	STATUS
Employment, Payroll, and Benefits					
3. Plans are in place to implement an online employee benefits enrollment process. Human resources management is considering implementing the online employee election process for fall 2019 and subsequently implementing the data uploads to Banner HR and the insurance providers. Because the upload process is not visible to the general users, there is a risk that its significance gets overlooked and resources get redeployed to other priorities	Low	Ensure that the upload process is implemented soon after the employee election front-end so that employee benefits personnel reap the full benefit of the online enrollment capabilities.	Human resources management is targeting implementation of the employee benefit election upload to Banner HR by June 2020 to ensure that the process is in place prior to the fall 2020 open enrollment period. Revised Response: The online employee benefit election process is expected to be in place in fall 2020 for 2021 open enrollment. Management is targeting implementation of the upload to Banner for June 2021, prior to the subsequent open enrollment period.	June 30, 2020 Upload to Banner Revised target date: June 30, 2021 November 30, 2021	Completed
4. The current payroll processing schedule includes a bi-weekly payroll for support staff and temporary workers, a bi-weekly payroll for student workers, and monthly payroll for full-time faculty, administrative staff members, and adjunct faculty. The bi-weekly payrolls are paid one week in arrears, while the monthly payroll is paid current. The variety of payroll cycles creates complexities that impact the efficiency and effectiveness of payroll processing.	Low	Transition the monthly payroll to a bi-weekly payroll schedule that is one week in arrears.	Senior management has approved the transition of monthly payroll to a bi-weekly payroll schedule. The transition will be scheduled to occur following the implementation of an electronic time reporting system for both student employees and support staff in the fall of 2020 and spring of 2021, respectively.	8/1/2021 Revised: TBD - personnel have been redeployed for COVID-19 contact tracing and staffing shortages	
5. During the audit, payroll personnel indicated they have established an objective to increase the use of technology through the selection and implementation of an electronic time-keeping/time-tracking system. The current payroll processing environment relies heavily on hard-copy documents for tracking and reporting hours worked and employee time off (both paid and unpaid time). The University uses paper time sheets for employees to record their hours. In addition, personnel within the various departments summarize the hours from employee timesheets by recording them on a hard-copy recap document.	Moderate	Continue to pursue ways to increase the use of technology as it relates to time tracking and reporting for payroll. Depending upon the cost and amount of time required to implement a "package" solution, the payroll department could see near-term efficiency gains by replacing the paper recap documents with an electronic spreadsheet.	Human resources has targeted the implementation of an electronic time and attendance reporting system to occur in three phases. The first phase will involve transitioning student employees to electronic time reporting in the summer or fall of 2020. The second phase will transition support staff to electronic time reporting in the spring of 2021. Lastly, monthly employees would be transitioned to electronic attendance reporting in the fall of 2021 or thereafter, depending on the ability to complete the first two phases as expected.	Phase 1: Fall 2020 Phase 2: Spring 2021 Phase 3: Fall 2021 Revised: TBD - personnel have been redeployed for COVID-19 contact tracing and staffing shortages	
Food Services Management Agreement and Profit-Sharing					
3. Meal plan purchases and meal plan adjustments processed through the card office are entered into the Blackboard Transact card system by card office personnel. Except for one upload at the beginning of each term, if the transaction is to be posted to the student account in Banner, card office staff must also enter the purchase or adjustment into Banner.	Moderate	Implement a daily upload from Blackboard Transact to Banner of meal plan activity to be posted to student accounts.	The Business Office will work with IT and the Eagle Access Card Office to implement daily feeds from Blackboard to Banner for the start of the 2020-2021 academic year. Revised Response: Implementation was delayed at the request of the Eagle Card Office due to COVID-19. Revised target is start of 2021-2022 academic year. Revised target date to beginning of Spring 2022 term due to turnover of Eagle Card Office personnel.	July 31, 2020 Revised: January 2021 August 2021 January 2022 April 30, 2022	In progress

University of Southern Indiana
 Audit Recommendations Matrix
 Calendar Year 2020

AUDIT NAME	RISK RATING	RECOMMENDATION	RESPONSE	TARGET	STATUS
Bonds Payable Post-issuance Compliance					
1. While the University works closely with bond legal counsel regarding bond compliance issues, post-issuance compliance guidelines or procedures have not been formally documented.	Moderate	Work with the University's bond legal counsel to formalize and document guidelines or written procedures associated with post-issuance bond compliance.	Finance and Administration will work with bond counsel to formalize and organize our efforts in documenting post-issue bond compliance. This project will start in fall 2020 with a completion expected by the end of January 2021.	January 31, 2021 Revised: March 31, 2021 January 31, 2022 May 31, 2022	
2. In order to comply with federal tax law, the University must measure private business use in each facility financed with tax exempt bonds. The University does not have a formal process for measuring and reporting private business use.	Moderate	Work with Special Events and Scheduling Services to obtain reporting of facility usage by third parties. This information should be used to measure private business use and create reporting for management to monitor and evaluate usage at least on an annual basis.	Business Office personnel will work with Special Events and Scheduling Services to obtain facility usage by third parties and document this usage. This project will start in fall 2020 with a completion expected by the end of January 2021.	January 31, 2021 Revised: March 31, 2021 January 31, 2022 May 31, 2022	
Public Safety Clery Act Reporting					
2. Vendor provided fields for performing queries and generating reports in the Omnigo system do not include the specific Clery location (i.e. on-campus housing or on-campus other location), making it difficult to review and identify which incidents were reported as occurring in housing or in other on-campus locations.	Moderate	Request that Omnigo add the specific Clery location (i.e. housing or on-campus other) to the fields available for querying and reporting. Generate reports by incident type and location as of the Annual Security and Fire Safety report date and retain the reports to provide an audit trail for internal and external reviewers.	Public Safety has contacted Omnigo and requested they create a report that will separate specific Clery locations for each incident. Additionally, Public Safety will generate reports by incident type/location to validate all statistical reports generated from the Omnigo software. All reports generated for statistical purposes will be saved to provide an appropriate audit trail.	Contact vendor: October 31, 2020 Generate reports by incident type and location: October 1, 2021 Revised: October 1, 2022	
3. Several policy statements or process descriptions required by the Clery Act were not explicitly addressed in the 2019 USI Annual Security and Fire Safety Report (Security Report).	Moderate	Incorporate the missing policy statements or process descriptions into future publications of the Security Report.	The policy statements and process descriptions identified during the audit have been incorporated into the 2020 Annual Security and Fire Safety Report, which was published by December 31, 2020.	December 31, 2020 Revised: October 1, 2021 October 1, 2022	Ten of twelve items have been incorporated into the annual report. The remaining items will be included in the 2022 report.
Title IX Policy and Procedure Compliance					
1. Several notification items required by Title IX were not explicitly addressed in some of the notices or publications used by the University.	Low	The Title IX Coordinator or Deputy Title IX Coordinator should work with the owners of the notices or publications to ensure that the items required by the regulation are incorporated.	The Title IX Coordinator will work with the owners of the notices and publications to ensure that the items required by the regulation are incorporated.	August 1, 2021	Completed

University of Southern Indiana
Audit Recommendations Matrix
Calendar Year 2021

AUDIT NAME	RISK RATING	RECOMMENDATION	RESPONSE	TARGET	STATUS
Banner User Access Reports Advisory Services					
1. Internal Audit performed an advisory engagement to assist management with developing and implementing a formal review of Banner user access.	Moderate	Access to each Banner module should be reviewed and approved at least annually by the system owners and oversight for review and approval of Banner user access should be performed by the IT Security function.	The Chief Information Security Officer will oversee the annual review and approval by system owners of Banner user access. The first annual review is targeted for completion by December 1, 2021.	December 1, 2021	Completed and ongoing
Data Accessibility Advisory Services					
1. The University uses a variety of software systems to track and manage interactions with prospective students. The data in these disparate systems has not been integrated into the operational data store (ODS), which limits the ability of University personnel to query, correlate with similar data in other systems, consolidate, and generate automated reports on the data.	High	Consolidate data from these disparate systems into the ODS to enable linkage of the data across these systems and with Banner. Also, Information Technology should develop processes and procedures to ensure that the implementation of new software going forward includes steps to evaluate the need for the data to be included in the ODS and, if applicable, how that data will be ingested into the ODS.	The University will look to increase data availability by consolidating data into ODS in conjunction with financial aid optimization and other enrollment related initiatives. Management will initiate discussions with enrollment and IT personnel by October 1, 2021, to determine the time and resources required to consolidate data from FireWorks CRM, Visual Zen, and Zoho CRM. Upon determination of the resource requirements, an appropriate target date for completion of the data consolidation will be established. Effective immediately for new software implementations, IT will incorporate steps to evaluate the need for data to be included in the ODS and, if applicable, how that data will be ingested into the ODS.	Discussions with enrollment and IT personnel: October 1, 2021 Revised Target: March 31, 2022 Evaluate ODS for new software implementations: Effective immediately	In progress and ongoing
2. Based on observations from several vendor demonstrations and discussions, the University lacks robust predictive modeling tools (for forecasting enrollments) and aid optimization tools (for evaluating different scholarship strategies), making it difficult to develop alternative student recruitment strategies and evaluate their potential impact on student enrollments.	High	University management should proceed with its efforts to engage an enrollment management consultant to evaluate the University's current strategy and infrastructure for recruitment of prospective students.	Management has begun the process to engage a consultant to assist with financial aid optimization and other enrollment related initiatives. The engagement will begin with financial aid optimization activities and expand into other elements of recruitment. The University expects the consulting engagement to commence by August 31, 2021.	August 31, 2021	In progress and ongoing
Capital Project Budgeting And Budget to Actual Analysis					
2. The absence of a formal process for communicating capital project changes to the Budget Office and Business Office impedes the ability of those areas to accurately measure actual project performance against a budget reflective of the revised project scope and to proactively identify additional funding sources, if necessary.	Moderate	Enhance and formalize communication regarding capital project budget estimates and identification of project funding sources throughout the project life cycle.	Finance and Administration will form a committee to enhance communication regarding capital project budgets. The group will meet periodically throughout the life cycle of capital projects to discuss budget estimates, funding sources, and changes in project scope. The target date for convening the committee is March 31, 2022.	March 31, 2022	
Campus Store Management Agreement and Sales Commissions					
1. Course materials sales information for February 2021 through May 2021 provided by Barnes & Noble included a category called "miscellaneous adjustments" with no additional details. In addition, none of the gross sales reports for 2020-2021 provided a breakout of website sales as required by Exhibit G of the management agreement.	Moderate	University management should move forward with its plans to request support for the "miscellaneous adjustments" and a breakout of website sales.	University management has requested more detailed sales information. In response, Barnes & Noble has granted Jeff Sickman, USI Controller and Assistant Treasurer, access to the Barnes & Noble reporting system (Birst). Jeff intends to obtain Birst access for Melissa Hensley, USI Staff Accountant, and the two of them expect to complete training on how to use the system by February 28, 2022.	February 28, 2022	

University of Southern Indiana
 Audit Recommendations Matrix
 Calendar Year 2021

AUDIT NAME	OBSERVATION	RISK RATING	RECOMMENDATION	RESPONSE	TARGET	STATUS
Student Account Adjustments						
	1. The current process for processing adjustments relies on email notifications, which can make it challenging to ensure that all adjustments are properly authorized, appropriate supporting documentation is obtained, and the adjustments are properly recorded.	Moderate	Consider the development of a Qualtrics form to streamline and standardize adjustment requests.	The Controller and Bursar will develop a matrix detailing the University positions that may authorize different types of adjustments and the supporting documentation required. The Bursar will develop a Qualtrics form for the initiation of adjustment requests.	March 31, 2022 July 31, 2022	

**University of Southern Indiana
 Annual Audit & Advisory Services Plan
 Calendar Year 2022**

QUARTER BEGINNING	AUDIT AREA	DESCRIPTION	HOURS
January 2022	Payment Card Industry (PCI) Compliance	Evaluate compliance with data security standard using self-assessment questionnaires	240
	Higher Education Emergency Relief Funds	Monitor regulatory guidance and advise management of compliance issues related to use of funds	100
	Internal Control Documents for financial statement audit	Documentation of accounting and financial reporting controls for state auditors	125
April 2022	Enrollment Reporting	Review federal enrollment reporting requirements and processes and procedures to ensure compliance	220
	University Risk Management Committee	Facilitation of University Risk Management Committee activities	150
	Investments	Review investment management agreements and compliance with policy	200
	Facility Operations Storeroom	Physical inventory observation	50
July 2022	Institutional Scholarship and Fee Waivers Risk Assessment	Review risks and controls associated with institutional scholarships and fee waivers	220
	Athletics Eligibility	Review of student athlete eligibility	200
	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 2022	External Audit Support	Support for external auditors performing federal financial aid audit and state aid agreed upon procedures	120
	Housing & Residence Life	Review new residential management software user access and controls over billing and residence contracts	200
	Enrollment Deposits	Review controls over the assessment, collection, and accounting of enrollment deposits	220

Total Hours	<u>2,495</u>
Hours Available	2,527
Hours available for unscheduled audits	32

**Summary of Construction Change Orders
Authorized by the Vice President for Finance and Administration**

PHYSICAL ACTIVITIES CENTER (PAC) RENOVATION PHASE II

Empire Contractors, Inc. - General Contractor

CO P041 Credit \$293,028 for unused Moisture Mitigation Allowance. Charge for General Conditions related to Micropiles \$101,823 (PR-P018B)	\$(191,205)
CO N017 Credit \$90,000 for unused Moisture Mitigation Allowance. Charge for Extended General Conditions, \$50,177; Added electrical breaker and epoxy flooring \$3,801.	\$(36,022)