

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

**March 2, 2023**

The Finance/Audit Committee of the University of Southern Indiana Board of Trustees met on Thursday, March 2, 2023, in the Griffin Center on campus. Present were Committee Chair Christine H. Keck and Trustees John M. Dunn, Daniel M. Fuquay, and Ronald D. Romain '73. Trustee Liam H. Collins '23 was absent. Also in attendance were Vice President for Finance and Administration Steven J. Bridges '89 M'95; Vice President for Development David A. Bower; and Chief Government and Legal Affairs Officer Aaron C. Trump.

Chair Keck called the meeting to order at 9:53 a.m.

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

Ms. Keck 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 completed audits from September through December 2022 and other activities conducted by the Internal Audit Department. He referred the Trustees to Attachment A, a detailed report of the following audits, and reviewed the objectives, conclusions, and recommendations of each audit:

- Institutional and Outside Scholarship Controls
- NCAA Student Athlete Eligibility Compliance
- Federal Student Aid Compliance

Mr. Will gave an overview of the status of audit recommendations from 2018, 2019, 2020, 2021, and 2022. He reviewed the proposed Internal Audit and Advisory Services Plan for calendar year 2023 in Attachment A. The plan is developed based on information gathered from University Risk Management initiatives, risk discussions with various members of management, and consideration of other risk factors such as materiality, the complexity of processes, staffing, legal/regulatory compliance requirements, control environment, and reputation risk. The 2023 plan is a blend of traditional audit activities and advisory services identified as being impactful for the institution. 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. Dunn, seconded by Mr. Fuquay, the Annual Audit Plan for Calendar Year 2023 was approved.

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

Chair Keck called on Vice President Bridges to review the construction change orders approved by the vice president for Finance and Administration. Mr. Bridges directed the Trustees to Attachment B which contains the change orders related to the Wellness Center project and the Atheneum Roof replacement project that do not exceed the \$50,000 approval authority by the Vice President for Finance and Administration and are therefore informational only. The changes listed are not uncommon with renovation projects as unexpected elements often surface during the project work. He noted two of the items for the Atheneum project are credits for work that was determined to be unnecessary.

**3. UNIVERSITY INVESTMENTS UPDATE**

Chair Keck called on Vice President Bridges who noted historically we have asked Neil Heppler to provide a presentation to the committee in September for the VEBA Trust and the University investments but have decided to have the two presentations at different meetings to provide separate opportunities to review the large amount of information that is presented for each. Mr. Bridges introduced Neil Heppler, Co-President of Fourth Street Performance Partners and the investment advisor for the University investment portfolio to present a report for the period ending December 31, 2022.

Mr. Heppler began by reviewing the fiscal year market performance. The calendar year 2022 was a very challenging year for financial assets and investments. Asset allocation for investments is comprised of intermediate fixed income, certificates of deposit and cash, short-duration investments, and government bonds. Approximately 80% of the University investments are in Investment Grade Intermediate Bonds. He reviewed the USI Unrestricted Asset Investment Portfolio Performance Summary table which showed performance for the last quarter, fiscal YTD, one year, and since inception (July 31, 2021).

The total market value as of December 31, 2022, is \$102,168,730. The asset allocation at year-end is 19.2% in Certificates of Deposit & Cash, 4.3% in Government Bonds – 1 Year Duration, and 76.4% in Intermediate Fixed Income. The estimated 12-month Cash Yield equaled \$2,816,422 or 2.8%. Mr. Heppler concluded his report by discussing strategies for investments in the current market and how waiting for recessionary recovery to implement those strategies may be beneficial in the long term.

There being no further business, the Finance/Audit Committee meeting adjourned at 10:30 a.m.



## **UNIVERSITY OF SOUTHERN INDIANA**

### Internal Audit Report

Prepared by

Bradley V. Will, CPA  
*Director of Internal Audit*

Kendra Groeninger  
*Internal Audit Manager*

Report No. USIA22-4  
 September 30, 2022

## Audit Report Institutional and Outside Scholarship Controls

### 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 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				

#### Introduction

Our report of institutional and outside scholarship controls is presented below. We would like to thank Joanna Riney, Cathy Nickens, Emily Henson, Cindy Miller, Koryn Parsons, Rashad Smith, and other University personnel for their assistance with the review.

#### Background Information

The University of Southern Indiana administers a variety of institutional undergraduate academic scholarships, as well as numerous scholarship payments received from outside organizations for the benefit of its students. During the 2021-2022 academic year, the University awarded institutional undergraduate academic scholarships to more than 3,500 students totaling more than \$13.7 million. Additionally, more than 800 USI students received scholarships from other organizations totaling about \$1.9 million.

Undergraduate Admissions personnel are responsible for determining a student's initial eligibility for many of the institutional awards based on the student's admission application credentials. Student Financial Assistance (SFA) personnel evaluate students' ongoing eligibility for the institutional awards. Business Office staff receive outside scholarship payments and coordinate with SFA regarding the application of those funds to student accounts. Given the volume and dollar amount of these scholarships, it is critical to have appropriate controls over the administration of these awards.

Report No. USIA22-4  
September 30, 2022

This report is based on a review of institutional academic scholarships and outside scholarship awards for the fall 2021, spring 2022, and summer 2022 academic terms. The audit approach included interviews with Undergraduate Admissions, SFA, and Bursar's Office personnel, review of scholarship administration procedures and controls, and analysis of student records for a sample of institutional awards to determine whether students met initial and continuing eligibility requirements. Institutional awards reviewed were limited to the Rice Scholarship, Out of State Merit Award, Out of State Grant, Out of State Scholarship, Out of State Top Scholar, Transfer Merit Scholarship, Out of State Transfer Grant, Out of State Transfer Top Scholar Award, and the Illinois and Kentucky Regional Awards, which constitute approximately \$11 million or 80% of the total institutional scholarships awarded during the audit period. The audit approach also included a review of outside scholarship payments to determine that funds received by the University and held for the benefit of students were released to the student accounts for whom the awards were intended.

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

- 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

#### Conclusion

In general, the results of our review indicate opportunity for minor improvement with respect to controls over the receipt, processing, and posting of outside scholarships and adequate controls and practices with respect to controls over the awarding and processing of institutional scholarships, the eligibility of award recipients, and proper posting of outside scholarships to student accounts.

Management will take or has taken the following actions:

- Investigating alternatives for posting outside scholarships to student accounts

No additional action or response is required.

Bradley V. Will  
Director of Internal Audit

Kendra Groeninger  
Internal Audit Manager

Distribution: Joanna Riney  
Cathy Nickens  
Emily Henson  
Koryn Parsons  
Jeff Sickman  
Rashad Smith  
Dr. Mohammed Khayum  
Steve Bridges  
Dr. Ronald Rochon

Report No. USIA22-4  
September 30, 2022

## Institutional and Outside Scholarship Controls Audit Report

### Control Issues and Responses

#### Investigating alternatives for posting outside scholarships to student accounts

**Issue:** The current process for posting outside scholarships to student accounts involves manual manipulation of scholarship data by the Associate Bursar prior to uploading and posting the awards to student accounts.

**Risk:** The manual intervention required to post the awards increases the risk of errors between the award amounts determined by SFA personnel and the amounts posted by Bursar Office personnel. In addition, a segregation of duties concern is created by assigning Bursar personnel with responsibility for both posting the awards and issuing credit balance refunds.

**Response:** The Associate Director of Student Financial Assistance will inquire of some peer institutions in Indiana and southern Illinois regarding the processing methods they use for posting outside scholarships to identify potential processing alternatives that could improve the efficiency of processing and strengthen segregation of duties. If no effective processing alternatives are identified, SFA will work with Information Technology and the Bursar's Office to implement a feed or upload for each academic term so that outside awards are posted to student accounts based on the allocations determined by SFA and eliminating any manual intervention by personnel in the Bursar's Office. The target date for completion of the review and/or process changes is March 31, 2023.

Report No. USIA22-5  
 December 8, 2022

## Audit Report NCAA Student Athlete Eligibility

### Results at a Glance

Audit Objectives:	RISK MITIGATION			
	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				

### Introduction

Our report of the internal audit of NCAA student athlete eligibility is presented below. We would like to thank Alexandra Eaton, Jon Mark Hall, and other University athletic and human resource personnel who contributed positively to our results.

### Background Information

In conjunction with the June 1, 2022, application deadline requesting reclassification of its intercollegiate athletics programs from NCAA Division II to Division I, the University of Southern Indiana Athletic Department began adhering to the compliance requirements for Division I athletic programs. Although the NCAA legislation (Bylaws) governing the two divisions are similar, each division has its own unique set of Bylaws which apply to basic athletics issues such as admissions, financial aid, eligibility, and recruiting. The audit report presented here is limited to a review of the activities associated with determining and monitoring the eligibility of student athletes to practice, compete, and receive athletically related aid in compliance with NCAA Division I Bylaws.

This report is based on a review of USI student athlete eligibility for the Fall 2022 academic term. The audit approach consisted of reviewing USI Athletic Department policies and procedures, interviewing USI Athletic Department personnel, and reviewing a sample of current student athletes to evaluate the controls associated with determining and monitoring eligibility in compliance with NCAA eligibility requirements.

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

- Assess the adequacy of written policies and procedures
- Evaluate the adequacy of controls in place for determining and monitoring the eligibility of student athletes to practice, compete, and receive athletically related aid

Report No. USIA22-5  
December 8, 2022

### Conclusion

We noted opportunity for **minor improvement** with respect to **written policies and procedures** and **adequate controls and practices** with respect to **determining and monitoring student athlete eligibility**.

Management will take or has taken the following actions:

- Documenting student athlete eligibility monitoring procedures in the compliance manual
- Finalizing updates to the Associate Athletic Director job description to reflect current responsibilities

No additional action or response is required.

Bradley V. Will  
Director of Internal Audit

Kendra Groeninger  
Internal Audit Manager

Distribution: Alexandra Eaton  
Jon Mark Hall  
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Sarah Will  
Steve Bridges  
Dr. Ronald Rochon



Report No. USIA22-5  
December 8, 2022

## NCAA Student Athlete Eligibility Audit Report

### Control Issues and Responses

#### Documenting student athlete eligibility monitoring procedures in the compliance manual

**Issue:** In conjunction with the transition to Division I, the USI Department of Athletics has implemented processes and procedures to monitor the academic, amateurism, progress toward degree, and seasons of competition requirements for student athletes under the NCAA Division I Bylaws. Since the June 1, 2022, application deadline for the transition to Division I, athletics compliance personnel have worked diligently to adapt existing procedures or develop new procedures that comply with Division I requirements. While the procedures appear to be working effectively, they have not yet been formally documented in the athletics compliance manual.

**Risk:** The lack of documented procedures for monitoring and evaluating student athlete eligibility increases the risk that compliance issues may occur, particularly if critical compliance personnel are not available to perform their duties or oversee compliance monitoring.

**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.

#### Finalizing updates to the Associate Athletic Director job description to reflect current responsibilities

**Issue:** The transition to Division I has required the USI Department of Athletics to add some additional administrative positions and adjust some administrative responsibilities of existing positions to meet NCAA standards and expectations for Division I programs. The positions of Director of Compliance and the Director of Academic & Support Services for Student-Athletes were created to assist with monitoring and maintaining NCAA compliance. While these positions have current job descriptions, the job description for the Associate Athletic Director, to whom these positions report, was still in process of being updated as of the audit.

**Risk:** The lack of a current job description for the role of Associate Athletic Director increases the risk that the duties of the position are not understood by all interested parties and not fulfilled to expectations.

**Response:** The Athletic Director will work with Human Resources to finalize updates to the Associate Athletic Director job description by January 31, 2023.

## 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.

December 16, 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 in January 2022, 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 2021, spring 2022, and summer 2022 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 2021, spring 2022, and summer 2022 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  
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University of Southern Indiana  
 Audit Recommendations Matrix  
 Calendar Year 2018

AUDIT NAME	RISK RATING	RECOMMENDATION	RESPONSE	TARGET	STATUS
Undergraduate Admissions (UA)					
<p>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.</p>	Low	<p>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.</p>	<p>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.</p> <p>Revised Response: UA determined it was not feasible to utilize Banner functionality to automate admission decisions.</p> <p>UA will meet with IT to determine feasibility of custom programming and priority in the work queue.</p> <p>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.</p> <p>UA met with IT in January 2022 to discuss automation options based on GPA and transcript type. Targeted rollout is March 31, 2022.</p> <p>Revised Response: Initial automation to be based on GPA and SAT or ACT test scores.</p> <p>Revised Response: Automation will be incorporated into rollout of new CRM system.</p>	<p>January 2, 2019</p> <p>Feasibility meeting: September 30, 2019</p> <p>Revised: March 31, 2020 November 30, 2020 September 30, 2021</p> <p>March 31, 2022</p> <p>Revised: September 30, 2022</p> <p>August 31, 2023</p>	<p>Initial meeting held in November 2020</p> <p>Follow-up meeting held in February 2021</p>

University of Southern Indiana  
 Audit Recommendations Matrix  
 Calendar Year 2019

AUDIT NAME	RISK RATING	RECOMMENDATION	RESPONSE	TARGET	STATUS
<b>Employment, Payroll, and Benefits</b>					
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: 7/1/2024	
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  Revised: Summer 2023  Phase 2: Spring 2021  Revised: Fall 2023  Phase 3: Fall 2021  Revised: Summer 2024	Phase 1: In Progress
<b>Food Services Management Agreement and Profit-Sharing</b>					
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.  Daily feed is undergoing testing and expected to be in production by October 2022.	July 31, 2020  Revised: January 2021 August 2021 January 2022 April 30, 2022 October 31, 2022	Completed and ongoing

University of Southern Indiana  
 Audit Recommendations Matrix  
 Calendar Year 2020

AUDIT NAME	RISK RATING	RECOMMENDATION	RESPONSE	TARGET	STATUS
<b>Bonds Payable Post-issuance Compliance</b>					
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 December 31, 2022 June 30, 2023	
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 December 31, 2022 June 30, 2023	
<b>Public Safety Clery Act Reporting</b>					
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 October 1, 2023	
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	Completed

University of Southern Indiana  
 Audit Recommendations Matrix  
 Calendar Year 2021

AUDIT NAME	RISK RATING	RECOMMENDATION	RESPONSE	TARGET	STATUS
<b>Student Account Adjustments</b> 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.	Matrix of authorizers: March 31, 2022  Revised: December 31, 2022 June 30, 2023  Qualtrics form: July 31, 2022  Revised: June 30, 2023	

University of Southern Indiana  
Audit Recommendations Matrix  
Calendar Year 2022

AUDIT NAME	RISK RATING	RECOMMENDATION	RESPONSE	TARGET	STATUS
<b>Athletics Ticketing System Controls</b>					
2. Athletics personnel had to overcome several issues with the ticketing system during the first few weeks of basketball season, including: the inability to accept payment cards for point-of-sale ticket sales, malfunctioning ticket scanners, and an issue with game information in barcodes on season tickets not matching the game information in the ticketing system.	High	Implement pre-season testing of season ticket barcodes, ticket scanners, and point of sale devices to ensure they are functioning properly.	The senior administrative associate for athletics will incorporate testing steps into the ticketing procedures manual to include pre-season testing of the functionality of ticket scanning equipment, verifying barcode information on season tickets, and testing the point-of-sale card swipe devices.	July 1, 2022  Revised: August 31, 2022 February 3, 2023	Completed
4. The verification of printed season tickets to the count in the AudienceView system is not formally documented by the staff accountant and the associated season-ticket revenue is not reconciled to Banner until the conclusion of the basketball season.	Moderate	Formally document the completion of the reconciliation of printed season ticket packets to the ticketing system and reconcile to season ticket revenue prior to distribution of the tickets.	Effective for the 2022-2023 basketball season, the staff accountant will document the verification of the pre-printed season ticket count and will also reconcile sales revenue in Banner to sales reports from AudienceView as of September 30 (following the renewal deadline); as of December 31 (following the completion of most sales activity); and as of March 31 (following the conclusion of the season).	Verification of season tickets: September 30, 2022  Reconciliations: September 30, 2022 December 31, 2022 March 31, 2023	In progress
<b>Payment Card Industry (PCI) Compliance Assessment</b>					
1. Departments responsible for payment processing did not have a formal written policy regarding handling debit and credit card information.	Moderate	Draft and disseminate an institutional security policy that addresses proper handling of credit and debit card information.	The Chief Information Security Officer (CISO) will draft an institutional PCI compliance policy for distribution and dissemination to all departments with responsibility for handling credit and debit card information. The policy will be reviewed by the Business Office to ensure it complements payment acceptance procedures developed by the Bursar.	September 30, 2022  Revised: February 28, 2023	
2. The University does not have formal documented payment acceptance procedures and training for personnel processing payments.	Moderate	Develop payment acceptance procedures and training for University personnel responsible for handling payments.	The Bursar will develop payment acceptance procedures for dissemination to University personnel responsible for handling payments and work with the CISO to coordinate and provide training on the PCI security policy and payment acceptance procedures.	September 30, 2022  Revised: February 28, 2023	
3. There is currently not a formal annual review of card payment processing vendors' PCI compliance status.	Moderate	Implement an annual review of the University's card processing vendors' PCI compliance status.	The CISO will work with the Bursar to coordinate obtaining the PCI compliance status of card processing vendors on an annual basis. The first review of vendor PCI compliance will be completed by September 30, 2022.	September 30, 2022	Completed and ongoing
4. Over the years, the University has relied on its card processing vendors and its financial institution partners to make any necessary compliance assertions to the card associations on its behalf.	Moderate	Complete appropriate self-assessment questionnaires on an annual basis as required by PCI Data Security Standards.	The CISO will work with the University Controller and Bursar to address the items noted by Internal Audit during the compliance assessment with a target to complete the required self-assessments and attestation of compliance by November 1, 2022.	November 1, 2022  Revised: February 28, 2023	



University of Southern Indiana  
Audit Recommendations Matrix  
Calendar Year 2022

AUDIT NAME	RISK RATING	RECOMMENDATION	RESPONSE	TARGET	STATUS
<b>Federal Enrollment Reporting Compliance Assessment</b>					
1. The University currently reports students with a "graduated" status to the National Student Clearinghouse (NSC) through a Degree Verify file. NSC recommends schools submit a graduates-only file in addition to a Degree Verify file.	Moderate	Consider submitting a graduates-only file to NSC in addition to the Degree Verify file.	The Associate Registrar will investigate the potential benefits of submitting a graduates-only file to NSC after each academic term. If the graduates only file is more efficient to produce than working the "G not applied" records from the Degree Verify file, then the Associate Registrar will work with NSC to establish a graduates-only file. The Associate Registrar will complete the review of the graduates-only file by October 1, 2022.	October 1, 2022	Completed
2. The Associate Registrar reviews the Reject Detail (School Review) report, which contains all errors that are required to be corrected. However, NSC recommends that institutions also review the Reject Detail (All Records) report for the following social security number (SSN) or student identification (SID) errors: Error 30 - blank or invalid SSN and/or college SID; Error 211 - incoming without SSN, college SID previously used; and Error 212 - previous record contained a valid SSN.	Moderate	Implement a review of the Reject Detail (All Records) report for SSN or SID errors 30, 211, and 212.	The Associate Registrar will implement a review of the Reject Detail (All Records) report for Errors 30, 211, and 212 by October 1, 2022.	October 1, 2022 Revised: February 2023	Completed and ongoing
3. During our review of enrollment data reported to the National Student Loan Data System (NSLDS) for a sample of students, Internal Audit noted students whose program begin date pre-dated the students' enrollment.	Moderate	Develop a report to identify students who were accepted but not enrolled in order to ensure their program begin date corresponds to the student's enrollment.	The Associate Registrar will work on developing an exception report by October 1, 2022, to show students who were accepted but not enrolled. The report will be used at the start of each academic term to update the students' records and make the program inactive.	October 1, 2022	Completed and ongoing
4. It appears that the University is currently not utilizing the privacy block setting when reporting to NSC.	Moderate	Determine when the University should utilize the privacy block setting on specific student records reported to NSC.	The Associate Registrar will inquire with NSC support personnel by October 1, 2022, regarding the appropriate use of the privacy block setting for student enrollment records.	October 1, 2022	Completed
5. The NSC Clearinghouse Academy training suggests institutions should request and review the SCHE10 report from NSLDS. The report compares data reported to the Common Origination and Disbursement system to data in NSLDS.	Moderate	Inquire with NSC to determine how to review the SCHE10 report.	The Associate Registrar will inquire with NSC support personnel by October 1, 2022, regarding how to work the SCHE10 report.	October 1, 2022 Revised: May 1, 2023	
<b>Institutional and Outside Scholarship Controls</b>					
1. The current process for posting outside scholarships to student accounts involves manual manipulation of scholarship data by the Associate Bursar prior to uploading and posting the awards to student accounts.	Moderate	Investigate alternatives for posting outside scholarships to eliminate the need for manual manipulation by Bursar Office personnel.	The Associate Director of Student Financial Assistance will inquire of some peer institutions regarding the processing methods they use for posting outside scholarships. If no effective processing alternatives are identified, SFA will work with Information Technology and the Bursar's Office to implement a feed or upload eliminating the need for manual intervention.	March 31, 2023	
<b>NCAA Student Athlete Eligibility</b>					
1. Since the June 1, 2022, application deadline for the transition to Division I, athletics compliance personnel have worked diligently to adapt existing procedures or develop new procedures that comply with Division I requirements. While the procedures appear to be working effectively, they have not yet been formally documented in the athletics compliance manual.	Moderate	Update the compliance manual for Division I requirements as soon as possible.	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.	January 31, 2023	Completed
2. The positions of Director of Compliance and the Director of Academic & Support Services for Student-Athletes were created to assist with monitoring and maintaining NCAA compliance. While these positions have current job descriptions, the job description for the Associate Athletic Director, to whom these positions report, was still in process of being updated as of the audit.	Low	Work with Human Resources to finalize updates to the Associate Athletic Director job description.	The Athletic Director will work with Human Resources to finalize updates to the Associate Athletic Director job description by January 31, 2023.	January 31, 2023	Completed

**University of Southern Indiana  
 Annual Audit & Advisory Services Plan  
 Calendar Year 2023**

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

<b>Total Hours</b>	<b><u>2,490</u></b>
Hours Available	2,530
Hours available for unscheduled audits	40

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

**WELLNESS CENTER**

**Empire Contractors Inc. – General Contractor**

CO 002 Add 120V Circuits and Elevator Feed Change	\$ 2,750
CO 003 Generator Enclosure, Plaza Updates, Relocate Existing	\$ 11,873
CO 004 Existing Fire Rated Glazing, Electric Hardware, RR Partition Change, VAV Removal	\$ 11,438
CO 005 Site Utilities Water Relocation, Dumpster Concrete Addition Ceiling Grid Change	\$ 12,413

**ATHENEUM ROOF REPLACEMENT**

**Deig Bros. General Contractor**

CO 001 Credit Delete “Pre-Construction Exterior Cleaning” and limit “Contract Completion Review Cleaning, General”	\$ (15,800)
CO 002 Protect and repairs to walls and ceiling Deductions for not replacing metal decking and insulation.	\$ 14,720
CO 003 Credit – Eliminate the Bison Support Trays Replace 6 door closers with Cush-N-Stop Arms	\$ (13,440)