

# Internal Audit and Advisory Services Update

September 7, 2023

# Academic Accreditation Risk Assessment

## Accreditation Key Points:

- Demonstration of the quality of the institution and its programs
- Required to participate in federal student aid programs
- USI accreditation through the Higher Learning Commission
- Approx. 20 degree programs accredited through various agencies

## Risk Assessment – Why Now?:

- Retirement of two key positions with accreditation oversight
  - Chief Data Officer/Accreditation Liaison Officer – January 2022
  - Provost – July 2023
- Reaffirmation of Accreditation – 2026-2027 fiscal year

# Academic Accreditation Risk Assessment

## **Risk Assessment Objectives:**

- Understand the roles and responsibilities of personnel tasked with monitoring and maintaining accreditation
- Evaluate the adequacy of resources to fulfill the roles and responsibilities
- Understand the criteria for institutional accreditation and periodic reporting requirements
- Identify and evaluate risks to the ability to provide required supporting information for reaccreditation

# Academic Accreditation Risk Assessment

## **Results:**

- The University is well positioned to continue its HLC accreditation

## **Opportunities:**

- Expanded access to the HLC accreditation network file share
- Implement annual communication to campus regarding accreditation status
- Encourage additional administrators and faculty to become HLC peer reviewers
- Created an inventory template for tracking accreditation documentation
- IA worked with Social Work and Art/Design to centralize storage of documents

# Advisory Services

## Purchasing Card Review

**Issue:** Non-compliance with processes and procedures was impeding efforts to expand use of the P-card

### **Advisory Service Objectives:**

- Understand the process for requesting and issuing P-cards
- Review the P-card policy and cardholder training
- Review user access to the PNC ActivePay P-card system
- Understand expense allocation, receipt upload, and cardholder reminders
- Identify common issues and challenges based on alert rules and reports
- Obtain feedback from cardholders and their proxies

# Advisory Services

## Purchasing Card Review

### **Project Results:**

- USI has a well-developed P-card policy and card issuance process
- Detailed cardholder guide and system user guide are available
- Good training video
  - Proper use of the card
  - Reconciliation procedures

# Advisory Services Purchasing Card Review

## **Improvement Opportunities**

- Targeted training for cardholders who rely on a proxy for submitting receipts
- Publicizing the P-card training video
- Streamlining the process for reporting fraudulent charges
- Investigating a mobile application for uploading P-card receipts
- Limiting the number of cardholders assigned to a single proxy
- Developing a cardholder reference guide for using the P-card

# Archie's Book Bundle Fee Assessment

Audit Objectives:	RISK MITIGATION			
	Adequate Controls & Practices	Opportunity for Minor Improvement	Opportunity for Moderate Improvement	Opportunity for Significant Improvement
Verify that Archie's Book Bundle fees were accurately assessed to students based on enrolled credit hours				
Verify that students' opt out choice was applied to their account and the students were not assessed the book bundle fee				



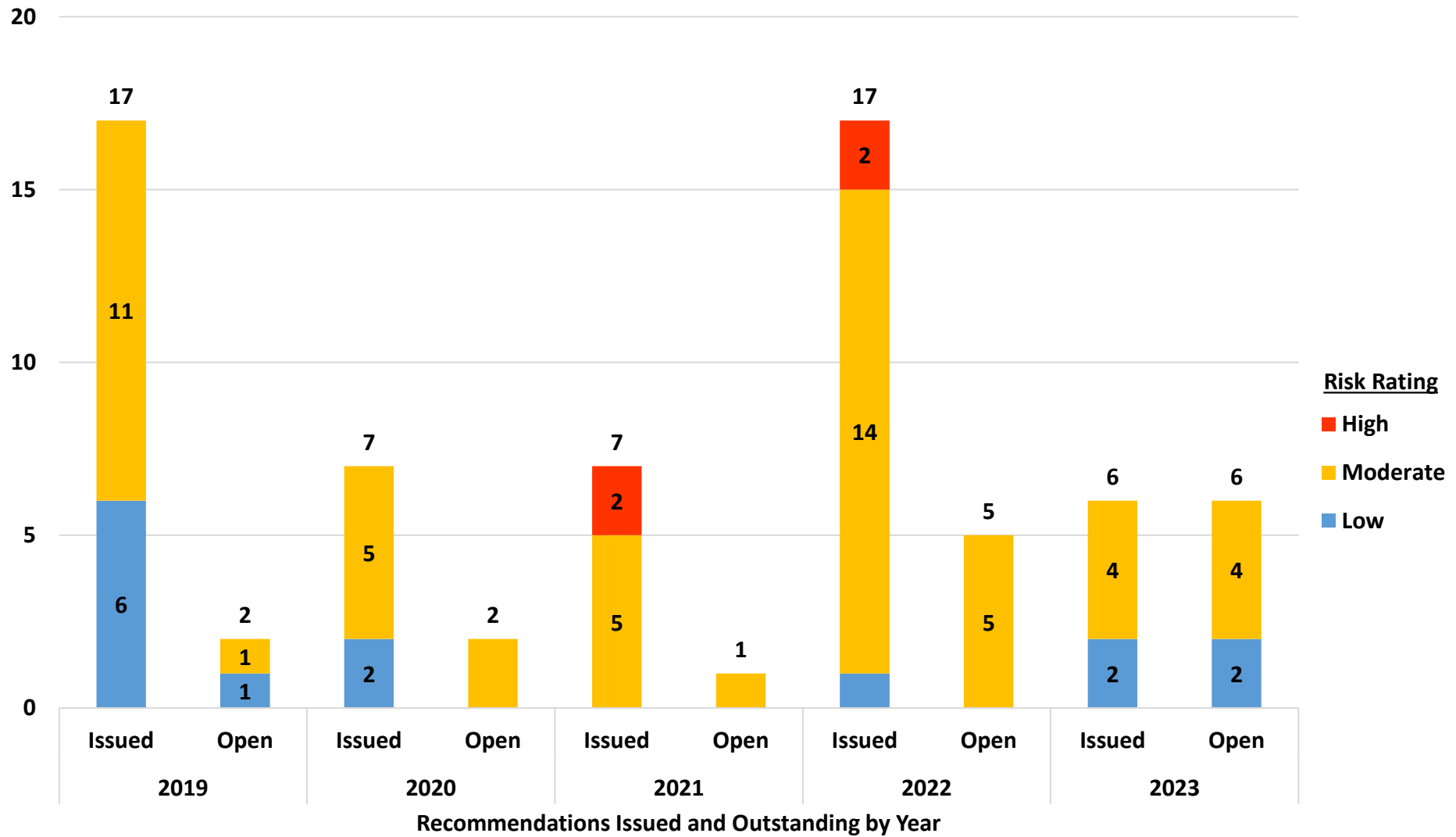
# Other Audit and Advisory Activities

- Audits in progress
  - Federal Student Aid Compliance
- Update of internal control documents for state auditors
- Facilitation of University Risk Management activities
- Monitoring and advising on IT security initiatives
- Coordinated USI response for Indiana Public Retirement System Audit

# 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

Items in yellow are substantially complete

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

