Top Ten Audit Findings
Regulatory Environment

- Office of Inspector General, as a whole, is performing more audits of Higher Education
- Department of Education has increased their efforts
- Regulatory findings have been numerous
- Auditors are under the same scrutiny of regulatory audits
Top Federal Award Audit Findings

1. Late Refund / Returns to Title IV account
   - Institution must have a policy in place to identify when students withdraw

2. Refund Calculation Not Correctly Performed or Properly Documented
   - Findings relate to improper institutional charges, scheduled breaks not correct, incorrect days in term or withdrawal date

3. Enrollment Status Not Verified Before Disbursement
   - Not aware of students withdrawing
   - Changes in units / hours but system no updated
   - Leave of absence issues
4. Over Award-Financial Need Exceeded
   – System inadequate to ensure over awarding does not occur
   – Lack of communication between office
   – Incorrect budget

5. Repeat Findings – Failure to Take Corrective Action
   – Could be finding in which you cannot correct
   – Disagreement with findings
     o Auditor is incorrect in their assessment
     o Financial aid department unwilling to correct
   – Correct Action Plan did not meet requirements to correct
6. Return of Title IV Funds Not Made
   – Institution is not aware student has withdrawn
   – No system in place to verify refund calculations have been made
   – Lack of communication / coordination between offices

7. Student Credit Balance Deficiencies
   – Credit balance must be eliminated within 14 days after Title IV creates a credit balance
   – Credit balances that result from retroactive withdrawals are still subject to the rules
   – Many findings due to improper monitoring of credit balances
Top Federal Award Audit Findings (continued)

8. Verification Violations
   - Verification has been communicated but not documented
   - Untaxed income not verified
   - Conflicting data on ISIR and verification documents not resolved

9. Pell Over / Under Payments
   - Almost every Pell grant error is due to improperly calculating the award due to student enrollment status changes

10. Ineligible Student - Not Making Satisfactory Academic Progress
Top Federal Award Program Review Findings
(Reviews Done by Department of Education)

1. Ineligible Student - Not Making Satisfactory Academic Progress

2. Pell Over / Under Payments

3. Verification Violations

4. Student Credit Balance Deficiencies

5. Refund Calculation Not Correctly Performed or Properly Documented

(Red items are repeats of Auditor Findings)
6. Late Refund / Returns to Title IV account

7. Entrance / Exit Counseling Deficiencies
   – Poor or missing documentation for counseling
   – Information in the counseling is incomplete
   – Where students not available, attempts of counseling are not documented

8. Account Records Inadequate / Not Reconciled
   – Failure to maintain financial records reflecting all federal program transactions
   – Failure to reconcile financial aid records with general ledger and / or federal systems
9. Information in Student Files Missing / Inconsistent
   – No system in place to coordinate information collected at different offices at the school
   – Data on ISIR conflicts with institutional data or other data in the student’s file
   – Insufficient or missing documentation needed to support professional judgment or dependency override

10. Crime Awareness Requirements Not Met
    – Policies and procedures regarding campus security not adequately developed
    – Annual report not published and/or distributed annually to current students and employees timely
    – Failure to develop a system to track and/or log crimes
When to be Skeptical of SFA Department

- Student financial aid officers appear to be above the law or untouchable
- Individual(s) live beyond their means
- Appear to be too close to any one vendor (including banker or auditor)
- Department wants to control all transactions with no transparency
- Many findings in one year
- Many year’s without a finding!
Regulatory Updates

• Updated student financial aid audit guidelines

• Other regulatory updates
Questions
Thank you!

Barb DuBois, CPA
(314) 966-6622
Barb.DuBois@cliftonlarsonallen.com