

NEVADA SYSTEM OF HIGHER EDUCATION

INTERNAL AUDIT DEPARTMENT

REPORT ON JANUARY 1, 2013 THROUGH JUNE 30, 2013 ACTIVITIES



NSHE
Internal Audit Department
Report on January 1, 2013 through June 30, 2013 Activities

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NSHE INTERNAL AUDIT DEPARTMENT
 PROGRESS OF AUDIT SCHEDULE
 January 1, 2013 – June 30, 2013

<u>AUDIT</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER/ SHORT()</u>	<u>COMMENTS</u>
1. UNR Graduate School Human Resources	300	286	(14)	
2. UNR University Studies Abroad Consortium	300	284	(16)	
3. UNLV Food Services Management Agreement	300	300	-	
4. UNLV Consolidated Students of UNLV	400	364	(36)	
5. UNLV First Year Housing Exceptions	150	132	(18)	
6. NSHE WICHE	400	393	(7)	
7. NSC Bookstore Operations	300	251	(49)	
8. NSC Differential Program and Special Course Fees	120	115	(5)	
9. TMCC Controller's Office	400	326	(74)	
10. CSN Facilities Management	400	295	(105)	
11. UNR Associated Students of the University of Nevada	400	403	3	
12. UNR Hosting	100	110	10	
13. UNR Differential Program and Special Course Fees	300	300	-	
14. Business Center North Payroll Office	400	318	(82)	
15. UNLV Residency Determinations	300	324	24	Additional time was spent on clarification and interpretation of policies.

16. NSC Sponsored Projects Administration	400	388	(12)	
17. TMCC PeopleSoft Security Audit	300	955	655	A significant amount of time was spent researching, learning and developing reports for the new PeopleSoft system.
18. TMCC Special Course Fees	200	239	39	A greater number of Special Course Fees were identified than expected and additional testing was completed. Additional time was spent on determining the percentage of classes charged special course fees.
19. WNC Special Course Fees	120	157	37	Additional time was spent on determining the percentage of classes charged special course fees.
20. WNC Hosting	40	49	9	

NSHE Internal Audit Department
 Exceptions Report Analysis
 For the six months ended June 30, 2013

Prior Period
 7/1/12 – 12/31/12

Current Period
 1/1/13 – 6/30/13

	TOTAL UNRESOLVED ITEMS	NEW ITEMS	CLOSED ITEMS	TOTAL UNRESOLVED	CUMULATIVE UNRESOLVED ITEMS
FINANCIAL	1	0	0	0	1
A-133	26	0	0	0	26
INSTITUTIONAL	60	215	189	26	86
TOTAL	87	215	189	26	113

NSHE Internal Audit Department
 Exceptions Report Analysis
 For the six months ended December 31, 2012

Prior Period
 1/1/12 – 6/30/12

Current Period
 7/1/12 – 12/31/12

	TOTAL UNRESOLVED ITEMS	NEW ITEMS	CLOSED ITEMS	TOTAL UNRESOLVED	CUMULATIVE UNRESOLVED ITEMS
FINANCIAL	5	1	5	(4)	1
A-133	36	26	36	(10)	26
INSTITUTIONAL	56	112	108	8	60
TOTAL	97	139	149	(6)	87

NSHE Internal Audit Department
 Exceptions Report Analysis
 For the six months ended June 30, 2012

	Prior Period 7/1/11 – 12/31/11	Current Period 1/1/12 – 6/30/12			
	TOTAL UNRESOLVED ITEMS	NEW ITEMS	CLOSED ITEMS	TOTAL UNRESOLVED	CUMULATIVE UNRESOLVED ITEMS
FINANCIAL	5	0	0	0	5
A-133	36	0	0	0	36
INSTITUTIONAL	70	77	91	(14)	56
TOTAL	111	77	91	(14)	97

NSHE Internal Audit Department
 Exceptions Report Analysis
 For the six months ended December 31, 2011

	Prior Period 1/1/11 – 6/30/11	Current Period 7/1/11 – 12/31/11			
	TOTAL UNRESOLVED ITEMS	NEW ITEMS	CLOSED ITEMS	TOTAL UNRESOLVED	CUMULATIVE UNRESOLVED ITEMS
FINANCIAL	15	5	15	(10)	5
A-133	26	36	26	10	36
INSTITUTIONAL	53	148	131	17	70
TOTAL	94	189	172	17	111

NSHE Internal Audit Department
 Exceptions Report Analysis
 For the six months ended June 30, 2011

	Prior Period 7/1/10 – 12/31/10	Current Period 1/1/11 – 6/30/11			
	TOTAL UNRESOLVED ITEMS	NEW ITEMS	CLOSED ITEMS	TOTAL UNRESOLVED	CUMULATIVE UNRESOLVED ITEMS
FINANCIAL	15	0	0	0	15
A-133	26	0	0	0	26
INSTITUTIONAL	84	156	187	(31)	53
TOTAL	125	156	187	(31)	94

Exception & Response Analysis
 Significant Audit Findings
 By Campus/Topic
 For the Six Months Ended June 30, 2013

<u>CAMPUS</u>	<u>DEPT. REPORT</u>	<u>TOPIC</u>	<u>REPORT/RESPONSE DATE</u>	<u>ITEM #</u>	<u>EXCEPTION</u>	<u>MANAGEMENT RESPONSIBILITY</u>	<u>MANAGEMENT RESPONSE</u>	<u>EXCEPTION STATUS</u>	<u>STATUS DATE</u>
<u>INTERNAL AUDIT REPORTS</u>									
UNR	Graduate School Human Resources	Grant-in-Aid	10/18/12 12/3/12	5	We recommend the university's policies regarding this matter be updated to coincide with Board of Regents policy and the current practice that is followed at the institution.	Associate Vice President, Business and Finance	The University Administrative Policy has been updated to read, "GIA may be paid to graduate assistants and is customary except in those cases where a grant funding the position does not allow for tuition." This language has also been updated on the Human Resources website and in the Graduate Assistantship Handbook.	CLOSED	2/28/13
UNR	University Studies Abroad Consortium	Employee Agreements	8/5/12 11/15/12	5	We recommend a review be performed to determine the circumstances under which resident directors are hired as university employees and as non-university employees. In doing so, we recommend the residency status of these individuals, U.S. and foreign income tax implications, and other related issues be considered. Once the review is completed, we recommend documented procedures be developed that address this area. We also recommend the employment status of USAC's current resident directors be reviewed for compliance with the established criteria.	Associate Vice President, Business and Finance	We agree with the recommendation and USAC will work with university human resources and university administration to develop written criteria to determine what is the appropriate arrangement for hiring or contracting with residential directors taking into consideration the residency status, tax implications and local in-country requirements. We will review the employment status of USAC's current resident directors for compliance with the newly established criteria. We anticipate the written criteria to be completed by June 30, 2013. USAC management staff will compare the employment contracts of all residential directors to the newly established criteria and will implement changes where necessary.	OPEN	2/28/13
		Foreign Bank Accounts	8/5/12 11/15/12	7	We recommend the foreign bank accounts be submitted to the Board of Regents for approval.	Associate Vice President, Business and Finance	USAC will review all 27 program bank accounts for compliance with new procedures enacted by the	OPEN	2/28/13

Exception & Response Analysis
 Significant Audit Findings
 By Campus/Topic
 For the Six Months Ended June 30, 2013

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		Foreign Bank Accounts	8/15/12 11/15/12	9	We recommend an analysis of the foreign programs and associated bank accounts be performed to determine whether the level of funding that is maintained in the accounts is reasonable or whether it would be beneficial, from a cash management perspective, for a portion of the money to be returned to the university.	Associate Vice President, Business and Finance	board. The establishment of new bank accounts for USAC programs will be submitted for approval by the university controller to the NSHE Vice Chancellor for Finance. Bank accounts that require variance from established policy will be discussed with the university controller and the NSHE Vice Chancellor for Finance prior to the establishment of the account	CLOSED	2/28/13
		Financial Aid	8/15/12 11/15/12	26	We recommend scholarships, grants, and any other financial aid issued by USAC be reported to the UNR Student Financial Aid and Scholarship Office so the information is reported in the student information system.	Associate Vice President, Business and Finance	Prior to each education term, USAC now reports all scholarships recipients to the UNR Financial Aid and Scholarship office so that the information is reported in the student information system.	CLOSED	2/28/13
UNR	Associated Students of the University of Nevada	Cash Controls	1/18/13 4/5/13	16	We recommend that ASUN management review the accounting records of both financial systems to determine the reason for the variance. In the future, we recommend the balances that are recorded in the two financial systems be reconciled on a monthly basis. We recommend the reconciliation be performed by an employee that is independent of the collection and deposit process and that the reconciliations be provided to the ASUN Director for review.	Associate Vice President, Business and Finance	ASUN management has reviewed the accounting records of both financial systems and determined the reason for the variance. We are in the process of converting the club accounts from the department's subsidiary internal accounting application to individual accounts in the university financial system. We expect this process to be completed by June 30, 2013. ASUN leadership are in the process of adjusting their	OPEN	6/6/2013

Exception & Response Analysis
 Significant Audit Findings
 By Campus/Topic
 For the Six Months Ended June 30, 2013

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		Cash Controls	1/18/2013 4/5/2013	48	We recommend the account balances of student clubs and organizations be verified prior to the authorization of purchases. We recommend the Request for Service form be updated to include a space to record the club account balance. We also recommend that inquiry access to the accounting application be provided to employees who are responsible for providing final review and approval of the request forms.	Associate Vice President, Business and Finance	seminal documents to direct the removal of club accounts that have been financially inactive for two full years. The Director of ASUN has initiated a review of club accounts and placed all inactive club accounts and their monies in a new university account called Inactive Clubs. Account balances are now verified before the clubs are authorized to make purchases. Forms have been updated to include a space for the club balance. Inquiry access has been granted to each professional staff person who is responsible for authorizing the request to make a purchase.	CLOSED	6/6/2013
UNR	Hosting	Host Expenditure Review	3/8/2013 4/19/2013	39	We recommend host forms be completed in their entirety and that agendas be provided when only UNR employees are present at hosted events, as required.	Associate Vice President, Business and Finance	All departments involved in the above findings have been notified of the violations and were reminded of university policy in completing host forms and providing agendas when only university employees are present at hosted events.	CLOSED	6/6/2013
UNR	Differential Program and Special Course Fees	Account Balances	2/4/13 3/29/13	21	We recommend the Special Course and Differential Program Fees associated with the accounts be reviewed to determine whether the fees are reasonable or need to be adjusted.	Associate Vice President, Business and Finance	The course fees associated with items 1-3 above have been reviewed and have been determined to be appropriate. The balance noted in item 1 (\$21,546) relates to the repair and replacement of expensive musical instruments. The course fee was originally intended to be used, along with private funds, to purchase one new Steinway piano. The College/Department's	OPEN	6/6/2013

Exception & Response Analysis
 Significant Audit Findings
 By Campus/Topic
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							<p>fundraising efforts were more successful than expected so the funds collected in the course fee were not expended during FY 2012. The Music Department has committed the funds in this account to acquiring additional Steinways and making needed repairs to the University's Stradivarius violin, and will reduce the balance in this account to less than 10% of current year revenues by fiscal year end. Items 2 and 3 above relate to balances in the Differential Fees for the College of Engineering (item 2) and College of Business (item 3). The large balances in these accounts are due primarily to efforts on the part of each college to fully engage its faculty and students in the allocation of these funds, and subsequently, the time required to initiate and complete faculty searches.</p> <p>The College of Engineering has several active searches in process, or recently completed, to hire a web communications specialist, student advisor, and lecturers in Mechanical Engineering and Computer Science. The College of Business recently completed searches for two new accounting professors as well as a position to handle Graduate Student Career Services. All of the above positions are consistent with the plan submitted to the Board of Regents. The addition of these positions in the Colleges of Engineering and Business will draw down the balances in</p>		

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		Expenditures	2/4/2013 3/29/2013	79	We recommend compliance with purchasing policies.	Associate Vice President, Business and Finance	the Differential Fee accounts and bring expenditures in line with on-going revenues. The department has been notified of the violation and reminded that the purchasing card will be deactivated if any further violations occur.	CLOSED	6/6/2013
UNR	Business Center North- Payroll Office	Stale Dated Checks	1/29/13 3/22/13	23	We recommend unclaimed and outstanding payroll checks be reviewed and cancelled on a more frequent and consistent basis. For improved control, we also recommend that this function be performed by an employee that is not responsible for completing the bank reconciliation.	Associate Vice President, Business and Finance	The existing stale dated check policy is outdated and has been re-written. The new policy assigns responsibility to an employee who does not reconcile the bank account. It is currently under review by different departments. Once the review is complete and policy finalized it will be put into place. We expect this to be completed by April 30, 2013	OPEN	6/6/2013
		Payroll Files	1/29/2013 3/22/2013	83	For improved control over these records, we recommend consideration be given for obtaining lockable filing cabinets in which the files could be stored and secured during non-business hours.	Associate Vice President, Business and Finance	New locks were installed on all of the filing cabinets containing employee files as recommended.	CLOSED	6/6/2013
UNLV	Food Services Management Agreement	Financial Commitments	11/14/12 12/20/12	90	We recommend these contribution shortages be carried forward on the spreadsheets that identify available catering credits and sustainability monies to be expended.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	The carry-forward balances are now included on our spreadsheets. The current balances are \$16,636 for Campus Life Event Fund, \$186 for Presidential Catering Fund, \$15,869 for the Advancement Fund, and \$9,592 for Sustainability Initiatives fund.	CLOSED	2/28/13
		Commissions	11/14/12 12/20/12	94	We recommend the monthly revenue commission spreadsheet be adjusted for inclusion/exclusion of items identified above and UNLV request a detailed sales	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services	The monthly revenue commission spreadsheet reflects all current food service operations and meal plan cost elements. It will be updated as	CLOSED	2/28/13

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					report to support the sales and commissions received from Panda Express.	and Audit	changes are made. Additionally, a detailed sales report, which supports reported sales and commissions, is now received from Panda.		
UNLV	Consolidated Students of the University of Nevada, Las Vegas	NRS 241.000	10/10/12 11/14/12	97	We recommend the notice of meetings include proper notifications and the notice of meetings and meeting minutes be accessible as required by NRS 241.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	Nevada revised statutes requires a statement that the "Notices of Meetings" contain the statement "posted in compliance with NRS 241". CSUN is responsible for preparing agendas for committee meetings. Each position within CSUN is performed by students, and the students are directly responsible for the preparation and submission of each agenda and meeting minutes. This information is contained in the CSUN Officer Training Program that is done at the beginning of each term. Current CSUN committee chairs have been reminded to add this statement to the "Notices of Meetings" and have been trained on all other requirements of NRS 241. All posting requirements are now included in the "Notice of Meetings". NRS 241 requires that the minutes from the public meetings be posted to the state entities website if one is maintained. CSUN has a website and is required to follow this requirement. The chairs have been reminded to submit their meeting minutes to the CSUN Creative Design director for placement on the SCUN website within the time frame required by NRS 241.	CLOSED	2/28/13

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		Expenditures	10/10/12 11/14/12	101	We recommend CSUN officers properly approve the transactions in accordance with BOR policies and the CSUN Constitution.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	The CSUN Executive Board members, of that period, did not understand their authority. The CSUN Executive Board did not believe they had the right to veto expenditures authorized by the Senate. Therefore, they believed their signatures were not required. The CSUN Business Manager also thought the Senate had authority to authorize expenditures. She did not understand that NSHE policy requires two signatures of the Executive Board Members. The CSUN Business Manager has received clarification and will comply with NSHE policy. No expenditure will be approved in the future without approval of the CSUN Senate (where required) and the signatures of two Executive Board members.	CLOSED	2/28/13
		Hosting	10/10/12 11/14/12	105	We recommend the department properly complete a hosting approval form and obtain the signature of the Dean or higher authority individual.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	The CSUN Business Manager did not understand the existing UNLV policies and procedures. She thought that being approved by a Vice President to have a PCard to pay for hosting expenditures included delegation authority which allowed approval by the CSUN Business Manager. She did not know that hosting approval cannot be delegated below Dean. She now understands that the PCard is just a means to make a purchase and approval is required by someone at a Dean or higher level. CSUN now submits all host forms for approval by the Vice President of Student Affairs.	CLOSED	2/28/13

Exception & Response Analysis
 Significant Audit Findings
 By Campus/Topic
 For the Six Months Ended June 30, 2013

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UNLV	First Year Housing Exceptions	Compliance	11/14/12 12/20/12	108	We recommend campus staff be aware of the first year on-campus housing policy and that first year housing related questions be directed to HRL.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	We have issued a memorandum addressed to all campus departments reminding them of the need to provide accurate information to students. These reminders have been sent in the past. We will continue to send out reminders on a regular basis in the future. However, it is probable that a situation like this may occur in the future because of turnover of personnel. When cases like this present themselves, HRL considers all the facts and circumstances, as was done in these cases, and provides an exemption if the student, that was misinformed, is significantly burdened. We want to do what is in the best interest of the student.	CLOSED	2/28/13
UNLV	Residency Determinations	Reclassification	1/22/2013 3/12/2013	110	We recommend employees be reminded to properly secure, maintain, and dispose of sensitive information to protect against credit card fraud and identity theft.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	Staff members have received additional training to ensure that they are fully aware of the retention & disposal processes of the documents. This includes training that only the information that is absolutely needed for the application be retained.	CLOSED	6/6/2013
NSHE	WICHE	Collections	11/8/12 12/10/12	117	We recommend a more secure method of transferring students' social security numbers and other sensitive information be utilized.	Vice Chancellor Finance and Administration	This recommendation has been added to the WICHE procedure and put into practice.	CLOSED	2/28/13
NSC	Bookstore Operations	Contracts	8/28/12 10/1/12	119	We recommend the contracts be updated to include the language required by the Board of Regents and NSHE.	Senior Vice President for Finance and Administration	NSC has reviewed the three contracts issued several years ago to Nebraska Book Company. The vendor was contacted, and addenda for the three contracts were developed to include the required contract language. These addenda	CLOSED	2/28/13

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 Significant Audit Findings
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							were reviewed and approved by the Senior Vice President for Finance and Administration and System Legal Counsel on November 1, 2012.		
NSC	Differential Program and Special Course Fees	Expenditures	11/6/12 12/15/12	123	We recommend the Differential Program Fees be expended during the same academic periods or year they were collected, in order to benefit the students who paid the fees.	Senior Vice President for Finance and Administration	Normally, such fees will be expended during the year in which they are collected, and that will be the case going forward. In this instance, the Differential Program Fees are being utilized to establish one or two additional full-time Nursing Instructors. For the first year, there was insufficient revenue to pay salaries and benefits, and the funds were accumulated in order to be able to hire an Instructor in the next academic year. Additionally, the search process for an Instructor takes a significant period of time to complete. As enrollments increase and revenues are greater a second position will be funded.	CLOSED	2/28/13
		Expenditures	11/6/12 12/15/12	124	We recommend the Special Course Fees be expended during the same academic periods or year they were collected, in order to benefit the students who paid the fees. Expenditures should be reasonably proportionate to the fee amounts collected, avoiding the accumulation of excessive account balances.	Senior Vice President for Finance and Administration	Academic departments have been notified of the need to expend fee revenue in a manner that benefits the students who paid the fees. A significant number of staff changes over the past two years contributed to this issue as individuals were reassigned to new positions and, in some cases, were handling two roles. During this time, those individuals responsible for budgets were being overly conservative due to extreme financial conditions and external pressures.	CLOSED	2/28/13
NSC	Sponsored Projects	Sponsored Projects	1/25/13 4/26/13	47	We recommend SPA develop a formal written policies and	Senior Vice President for	Formal written policies and procedures are being	OPEN	6/6/2013

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	Administration	Administration			procedures manual to address key steps and functions in the stages of contract and grant awards from pre-award through post-award including contract closeout, program income, effort reporting, cost transfers and record retention. This could also include the need to develop supporting checklists and routing forms for key activities.	Finance and Administration	developed and will be reviewed by NSC's College Policy Advisory Committee (CPAC) this summer. The information will be released to the NSC faculty prior to the Fall 2013 semester.		
		Direct Cost Expenditures	1/25/2013 4/26/2013	51	We recommend that SPA implement a procedure for performing periodic sampling of direct costs charged to awards. This proactive control activity should aid the institution in ensuring they are aware of, and in agreement with, the types of ongoing activities and resulting costs being passed to sponsors.	Senior Vice President for Finance and Administration	The formal written policies and procedures under development include specific language with respect to determination of allowability, allocability, and reasonableness of given expenses based on the specific guidelines of sponsors and according to Federal cost principles. With the addition of two new professional Budget Analyst/Grant Analyst positions, the Office of Budgets and Sponsored Projects Administration will have the staffing to perform quarterly mini-audits of all grant accounts.	OPEN	6/6/2013
		Effort Reporting	1/25/13 4/26/13	52	We recommend the institution implement as effort reporting policy and procedure to comply with federal requirements.	Senior Vice President for Finance and Administration	The formal written policies and procedures under development include specific language with respect to effort reporting. Semi-annual effort reports (Federal requirement is annual reports) will be collected on all NSC projects. With the addition of two new professional Budget Analyst/Grant Analyst	OPEN	6/6/2013

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							positions, the Office of Budgets and Sponsored Projects Administration will have the staffing to collect semi-annual effort reports.		
TMCC	Controller's Office	Accounts Receivable	9/17/12 10/31/12	64	We recommend the TMCC Controller's Office work with System Computing Services in developing an accounts receivable report.	Vice President of Finance and Administrative Services	TMCC is currently developing an aged accounts receivable report.	OPEN	2/28/13
TMCC	Peoplesoft Security Audit	Security Administration – Roles and Permissions	1/25/2013 3/22/2013	65	We recommend that TMCC develop narrative descriptions for both roles and permission lists that provide information on the job functions supported, the data or pages they can access and the manner in which they are designed to access the data (display through correction).	Vice President of Finance and Administrative Services	<p><i>System-Level Coordinate Effort</i> As part of the Shared Instance, TMCC will coordinate its documentation efforts to complement the work being done by System Computing Services (SCS). SCS is developing a plan and timeline for a re-architecture of the Shared Instance security infrastructure. Chris Piekarz, Senior Security Analyst for SCS will have this plan done by May 1, 2013. If this rebuild plan is passed by the iNtegrate Shared Instance Advisory (iSIA) group, the rebuild will go forward. This rebuild will impact how TMCC will proceed with documenting roles and permission lists.</p> <p><i>TMCC Documentation</i> Narrative descriptions defining job functions for roles and permission lists, including data accessible under these constructs and level of access will be developed in the following manner:</p> <ul style="list-style-type: none"> For roles and permission lists that TMCC does 	OPEN	6/6/2013

Exception & Response Analysis
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							<p>not expect to change as a result of the Shared Instance rebuild, TMCC has begun the documentation effort. This documentation will be completed within one year from the date of this response.</p> <ul style="list-style-type: none"> • For roles and permission lists that will be rebuilt, TMCC will create the documentation for that role/permission list within one month of its migration to production by System Computing Services. <p>Tommie Guy, Security Coordinator and Shanna Rahming, Business Analyst will lead and facilitate the efforts above in coordination with the functional leads from Financial Aid, Admissions, Student Records, Outreach, Student Financials and Advising.</p>		

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		Sensitive Data Access	1/25/13 3/22/13	68	We recommend that TMCC evaluate users with access to unmasked SSN data and ensure that they have a job related need for such access. Further, we suggest that TMCC work with other institutions in the shared instance and consider masking birth year on the high use screens.	Vice President of Finance and Administrative Services	TMCC values the trust placed in us by our students, staff and alumni to protect Personally Identifiable Information (PII), especially SSN> We will honor that trust by restricting access to PII except in those cases where it is deemed necessary to serve our constituents. <i>The System Level Technology Solution</i> Masking of SSN is done at the system level. Currently, PeopleSoft's delivered masking mechanism is used on only two pages, RELATIONSHIPS and SCC_BIO_DEMO_PERS. Further masking of additional pages can only be accomplished by a modification. A modification is a technical term to describe programming changes at the system level. These typically require work by SCS and outside consultants. The delivered masking currently masks SSN only on the Search/Match page, with the default being to mask SSN for everyone on this page. To see an unmasked SSN, a person must be specifically provided with an additional role. <i>TMCC Review of Unmasked SSN Access</i> Tommie Guy, Security Coordinator and Shanna Rahming, Business Analyst are evaluating users with access to unmasked Social Security Number data and examining whether there is a job-related need to see this information. There are a limited number of users who have a job-related need to see unmasked SSN. Thee users are in the Financial	OPEN	6/6/2013

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							<p>Aid department. TMCC will remove access from users it finds do not have a job-related need to have such access. All removals will be completed by December 2013.</p> <p>Masking Year in Date of Birth Chris Piekarz, SCS Senior Security Analyst has brought the issue of using the delivered masking mechanism for birth year on high use screens to the attention of Ginger Holladay-Houston, SCS Director of Information and Application Services. Consequently, SCS has applied the mask in the test database for the year portion of date of birth (DOB) on the Search/Match page.</p> <p><i>TMCC Review of Date of Birth Access</i> Tommie Guy, Security Coordinator, and Shanna Rahming, Business Analyst, will work with the TMCC user base to determine the business effect of the new masking and will also evaluate who needs to see full DOB on the Search/Match page. Within a month of SCS applying the mask in production, TMCC will restrict full DOB access from those not found to have a job-related need.</p>		
TMCC	Special Course Fees	Account Balances	3/22/2013 4/26/2013	141	We recommend the Special Course Fees associated with these accounts be reviewed to determine whether the fees are reasonable or need to be adjusted.	Vice President of Finance and Administrative Services	These accounts have been reviewed by the Program Director of Accounting Services. Two of the account balances decreased to \$5k and \$11k during Fall 2012 for planned expenditures in the fiscal period. In the meantime, the other nine accounts will be reviewed by the Academic	CLOSED	6/6/2013

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							Deans as charged by the Vice President of Academic Affairs to review these balances and ensure compliance with the Board of Regents policy. Any excessive balances will require a detailed justification or these fees will be subject to fee modification during the next approval process. The process for updating and implementing changes to Lab Fees has been revised to include an annual review for each fee account's expenditure plan and balances. Account balances could be set for at most 15% of fee revenues to allow for liquidity and fluctuations in fee collection and when expenditure are made. Other account balances are maintained for planned replacement. These justifications will documented during the annual fee review.		
		Inactive Accounts	3/22/2013 4/26/2013	143	We recommend the Special Course Fees associated with these accounts be reviewed to determine whether the fees are still necessary and whether the accounts should be deactivated.	Vice President of Finance and Administrative Services	These accounts have been reviewed by Accounting Services staff with the responsible managers. One of the accounts with revenue but no expenditure activity had a significant purchase of software in Fall 2012. The other had no activity due to open faculty positions and the temporary replacement faculty not purchasing materials. Full time faculty has been hired and expenditures are expected to increase. Three of the seven accounts with no activity are expected to have revenue and expenses going forward. Another three continue to have expenses, and the balance in the remaining account has	CLOSED	6/6/2013

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							been moved and the account deactivated.		
		Special Course Fees	3/22/13 4/26/13	69	We recommend the discrepancies noted by reviewed by college personnel and that adjustments be made to the college list and/or the student information system, as necessary. In the future, we recommend greater care by taken to ensure Special Course Fees approved by the college are accurately recorded and assessed within the student information system.	Vice President of Finance and Administrative Services	College staff have reviewed the noted discrepancies and made the appropriate adjustment to the college list and the student information system. In addition, the College revised its procedures in processing special course fees. The new process standardized the approval form for fee changes and their approval. This standardized form becomes the official input to the college's fee master list. The latter is then the only source of information for the PeopleSoft student account system. The Program Director of Accounting Services and his designees will be reviewing the entries to the student account system and will be comparing it with the master list. In preparation for the new system, the VP of Finance & Administration, in coordination with staff at each academic division and Accounting Services, reconciled all the existing lists of fees to create the Fee Master List. Plans are also underway to develop an automated workflow fee approval process that will result in the college's fee master list.	OPEN	6/6/2013
CSN	Facilities Management	Contracts	7/20/12 9/8/12	149	We recommend the contract be reviewed to ensure it meets Board of Regents and NSHE contracting guidelines.	Senior Vice President Finance and Administration	The contract in question had been entered into in prior years. During the intervening period, the NSHE contract language specifications changed. This contract had been overlooked as one that required a review of the indemnity clause and	CLOSED	2/28/13

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							modification of language to bring it into compliance with the NSHE guidelines. Once CSN Purchasing had been notified of the deficiency, a new contract that included all related NSHE language was prepared and executed. This recommendation has been completed.		
		Policies and Procedures	7/20/12 9/8/12	72	We recommend that FM continue with its plan to develop written maintenance procedures that are at the same level of detail as existing for custodial and grounds, and to develop written procedures for conducting and reporting bench stock inventories.	Senior Vice President Finance and Administration	The College of Southern Nevada concurs with this recommendation and is creating written procedures for both maintenance and inventorying of bench stock. At present, approximately 75% of the required procedures have been developed; we anticipate that they will be finished and in place not later than the end of February 2013.	OPEN	2/28/13
WNC	Special Course Fees	Account Balances	4/5/2013 5/3/2013	164	We recommend the Special Course Fees associated with these accounts be reviewed to determine whether the fees are reasonable or need to be adjusted.		As part of the college's regular fee review process initiated in September of each year, the academic faculty determines the relevancy and accuracy of all special course fees. The following is the additional information related to the balances in excess of \$15,000 as of June 30, 2012: The accounts referenced are: 1. 9263-921-2210 (Computer Lab Use)- During the PeopleSoft implementation, seven individual special course fees were credited to this account in error.	CLOSED	6/6/2013

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							<p>Since that transition, lab fee expenditures for those courses were charged to the appropriate accounts without the revenue. Adjustments to revenue and deposit target accounts will be made to correct this error. In addition, four other small computer lab accounts were closed and their balances transferred to this account resulting in the current balance.</p> <p>2. 9263-989-0211 (General Nursing)- With the unanticipated departure of the Nursing lab coordinator three years ago, the department made only minimal expenditures during that fiscal year. During subsequent years, and with the appointment of a new coordinator, the department expended \$23,497 (YTD) in FY13 with another \$8,000 in expenditures anticipated prior to the end of the fiscal</p>		

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							<p>year. A similar expenditure pattern is anticipated for FY14.</p> <p>3. 9263-983-0401 (Physical Education)- Revenue in this account comes from several physical education classes. None of the balances for the individual classes approach the \$15,000 balance used by the audits as a trigger balance.</p> <p>4. 9263-980-1900 (Web Instruction)- Expenditures from this account have been very conservative with the college's efforts to move forward with two major electronic instructional initiatives- QualityMatters (on-line instruction) and Lecture Capture (recorded live instruction for internet availability). In support of these initiatives, costs such as mentoring, training for effective use of the technologies, and proctoring services will be provided from</p>		

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							these resources.		
		Special Course Fees	4/5/2013 5/3/2013	162	We recommend the student information system be updated with the correct fee account. We recommend greater care be taken to ensure Special Course Fees approved by the college are accurately recorded and assessed within the student information system.	Controller	In the PeopleSoft application transition, a computer lab fee was inadvertently entered as both a computer lab fee and a special course fee. As a result, students enrolled in the course for three (3) semesters were overcharged. When this issue was identified, the PeopleSoft application table was corrected and all students were credited with the over-charged amount. This occurred on 1/2/13.	CLOSED	6/6/2013
WNC	Hosting	Host Expenditure Review	3/29/2013 5/3/2013	175	We recommend requisitions be completed and submitted to purchasing in advance of purchases as required.	Controller	A review of an email progression (available if requested) indicates that the original purchasing requisition was submitted in a timely manner. Unfortunately, an incorrect account number and authorized signatory was used and the forms were returned to the submitter for correction. The revised documents were submitted to the appropriate vice president's office, signed and forwarded to WNC Purchasing. By this time, the conference meal covered by the request had occurred and the authorization was late. The office of the vice president provided WNC Purchasing with an improper practice letter explaining the issue, and payment was made to the vendor. The office, which initiated the request, has been informed of the correct procedures and this issue will not reoccur.	CLOSED	6/6/2013
		Host Expenditure	3/29/2013 5/3/2013	174	We recommend greater care be taken to ensure personal items	Controller	Business office personnel discussed the issue with the	CLOSED	6/6/2013

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		Review			are not paid by the college.		employee and he reimbursed the appropriate host account for the personal items previously charged to the host account. The Business office personnel responsible for processing these types of reimbursements have been reminded verbally and in writing that personal items cannot be reimbursed.		
		Host Expenditure Review	3/29/2013 5/3/2013	172	As a best practice, we recommend itemized receipts be provided.	Controller	All authorized signers for host accounts have been notified in writing (copy attached) that detailed receipts for meals and other such expenditures are required for host expenditures. In addition, purchasing personnel responsible for processing host account authorizations and payment requests have been informed verbally and in writing that this is a policy requirement. Incomplete host account requests will be returned to the submitter.	CLOSED	6/6/2013

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<u>FINANCIAL STATEMENTS – External Auditors</u>									
NSHE	Financial Statements FY 2011	Financial Statement Preparation	11/1/12 11/1/12	1	During our audit of the System-wide financial statements, we noted errors in the financial statements, footnote disclosures and Schedule of Expenditures of Federal Awards that were not prevented by the System's current processes and internal controls. Because some of these issues resulted from inaccurate information submitted by individual institutions, we believe the process and internal controls over the preparation of the System-wide financial statements could be strengthened to include year-end close training for those institutions along with comprehensive review and validation of institutionally-provided information at the system level. We had reported a similar matter in the fiscal 2011 audit and while we believe there are still areas for improvement, we are pleased to see improvements in fiscal 2012.	Vice Chancellor for Finance, NSHE	System Administration will continue to review processes and internal controls over the preparation of financial statements. One initiative already completed in this area was the reorganization of the financial statement preparation staff at the System level (April 2012) which included hiring an Accounting Manager (CPA) who is the lead in the consolidation process. Other planned initiatives in this area include: -Topics related to financial statement reporting and preparation will be a standing item on the Controller's Council Agenda to ensure as much consistency as possible at the transaction level, resulting in a more straight-forward consolidation process.. -System Administration staff will formalize a training process for new institution staff involved in the financial statement process and A-133 Single Audit, as well refreshers for existing staff, to better ensure consistency in cases of turn-over or other staff changes. -Financial statement reporting, as a function, will be addressed with the iNtegrate business process consultant to ensure it is adequately incorporated into the new financial system.	OPEN	11/29/12

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<u>A-133 SINGLE AUDIT – External auditors</u>									
NSHE	NSHE Financial Statement for FY 2012	Reporting	11/1/12 11/1/12	1	We recommend that the Institutions design and implement processes and controls to ensure sub-recipient contracts are communicated timely to those individuals responsible for reporting them. Furthermore, when technological problems prevent timely reporting, we recommend these individuals document their attempts to report as well as their communications with sponsoring agencies.	DRI Controller	We concur with the finding; however attempts were made to get the information in the federal database in order to report FFATA subcontracts. We did no document these attempts as we were not aware of the requirements of A-133 documentation at the time of reporting (final audit supplement was not issued until June 2012). We now have in place processes to document attempts to get the necessary information into the federal database to report subcontracts timely.	OPEN	11/29/12
		Internal Control over Compliance	11/1/12 11/1/12	2	We recommend that the Institutions design and implement processes and controls to ensure sub-recipient contracts are communicated timely to those individuals responsible for reporting them. Furthermore, when technological problems prevent timely reporting, we recommend these individuals document their attempts to report as well as their communications with sponsoring agencies	UNLV Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	We understand the importance of timely reporting and have implemented processes to assure reports are submitted in a timely fashion. FFATA reporting was a new requirement in FY12, and the submission system and reporting requirements were new as well. The initial report UNLV submitted was late due to investigations into the reporting process to assure our report was accurate and submitted in the proper format. However, once we verified the requirements and how the FFATA reporting system operated, all subsequent reports were submitted in a timely manner. We anticipate all future reports will be timely, but if situations arise in the future that impact timely submission full documentation	OPEN	11/29/12

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							will be retained.		
		Equipment and Real Property Management	11/1/12 11/1/12	3	We recommend the University evaluate its current process and procedures for equipment and real property management to better incorporate review procedures for items.	UNR Associate Vice President, Business and Finance	The three equipment purchases not accurately recorded within the University's equipment subsidiary ledger have been corrected in the system to reflect the accurate acquisition cost.	OPEN	11/29/12
		Internal Control over Compliance	11/1/12 11/1/12	4	Programmers should be restricted form access to live applications and ensure proper documentation of change management testing results and approval by users.	UNLV Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	Subsequent to the FY!! Audit findings, procedures were implemented to ensure periodic user access reviews are completed and password and system lockout protocols are in place. The remaining user security issue noted in this finding is due to a single programmer having specific job duties requiring access to the production environment which is not ideal, but can occur due to limited technical resources. In order to address this ongoing conflict of responsibilities, a process is in development that will grant the necessary access to the production environment based on approval for limited, specified time periods to accomplish specific job functions on a case-by-case basis. Regarding the inconsistency of change-management into three categories based on the nature of the system change being Oracle/PS updates/bundle-fixes, etc. Due to the different nature of these types of system changes, the documentation protocols established were not consistent. In order to address this finding, UNLV will revisit the established protocols for	OPEN	11/29/12

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							documenting changes within these classifications and ensure sufficient documentation requirements are met consistently.		
		Return of Title IV Funds for Unofficially Withdrawn Students	11/1/12 11/1/12	5	We recommend the University re-compute student returns for all applicable students, and implement a more comprehensive review process of return to title IV calculations including the calendar used as the basis for the calculation.	UNLV Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	The items in question were recalculated based on the corrected calendar and funds were returned appropriately. For future terms, the calendar will be more carefully reviewed with the Financial Aid and Registrar's office to verify the accuracy of the holiday break schedule to include classes scheduled on Saturday.	OPEN	11/29/12
		Return of Title IV Funds for Unofficially Withdrawn Students	11/1/12 11/1/12	6	We recommend the University develop and implement policies to ensure return to Title IV calculations are completed accurately and timely.	CSN Senior Vice President, Finance and Facilities	During the Fall 2011 semester, CSN recognized that Financial Aid staff required additional training and support to ensure successful implementation of PeopleSoft. CSN contracted with Cedar Crestone (the NSHE consultant for PeopleSoft) to provide 30 days of on-site support to assist staff to develop accurate compliance-related queries. The technical error in PeopleSoft referred to in the finding has been corrected, and the department will use greater care to ensure that compliance with the Return of Title IV funds is completed within the 30-day timeframe. Additional PeopleSoft queries were developed and are run during the semester to accurately and effectively identify the students who have officially withdrawn and their date of withdrawal. When grades are posted at the end of the semester, a query is	OPEN	11/29/12

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							processed to specifically identify those students who have unofficially withdrawn and those students are captured at that time. These system changes ensure the accuracy of identifying all withdrawn students for whom a Return to Title IV calculation must be completed and that this occurs within the specified deadline parameters. This recommendation has been implemented.		
		Return of Title IV Funds for Withdrawn Students		7	We recommend the Institutions' develop and implement policies to ensure returned funds are accurate and timely.	UNLV Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	In order to address ongoing compliance procedures including accuracy and thorough and timely review, UNLV has added five positions (includes a Compliance Coordinator) to the Financial Aid and Scholarships processing unit in FY13. Also, a key position (Associate Director for Processing) was vacant due to turnover which is currently in the process of being filled. We fully expect these additional resources to ensure timely and accurate compliance procedures are maintained.	OPEN	11/29/12
		Return of Title IV Funds for Withdrawn Students	11/1/12 11/1/12	8	We recommend the Institutions' develop and implement policies to ensure returned funds are accurate and timely.	CSN Senior Vice President, Finance and Facilities	During the Fall semester 2011, CSN recognized that Financial Aid staff required additional training and support to ensure successful implementation of PeopleSoft. CSN contracted with Cedar Crestone (the NSHE consultant for PeopleSoft) to provide 30 days of on-site support to assist staff to develop accurate compliance-related queries.	OPEN	11/29/12

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							The technical error that resulted in the failure to upload the COD within 45 days has been corrected. Queries have been developed and are now run at various times during the semester to more accurately identify the dates of official and unofficial student withdrawals. During Spring 2012, additional Financial Aid staff members were reassigned to work on the R2T4 calculations to ensure timely completion, and at present additional staff is being hired to work specifically with the R2T4 calculations. These measures will ensure that return of Title IV funds will be calculated accurately and returned within the 45-day limit.		
		Return of Title IV Funds for Withdrawn Students	11/1/12 11/1/12	9	We recommend the University implement a more comprehensive review process of the return to Title IV form.	UNLV Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	In the case of the one student calculation resulting in this specific finding, the original returned funds calculation was actually processed correctly as the PeopleSoft software automatically imports the correct amount of federal financial aid disbursed for the calculation. Unfortunately, in this case a rare petition by the student resulted in a change to the official withdrawal date after the return was initially calculated. This is a rare occurrence that the software is not able to automatically adjust for and so the original return calculation remained when the return was initially recalculated with the revised withdrawal date. The return calculation was subsequently corrected and the additional funds were	OPEN	11/29/12

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							returned. The additional staffing explained previously in response to finding 2012-06 will ensure more comprehensive review of similar issues will occur.		
		Borrower Data Transmission and Reconciliation	11/1/12 11/1/12	10	We recommend the Universities implement processes to ensure reconciliation is being performed and documented on a monthly basis.	UNLV Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	Priority will be given to implementing a documented monthly reconciliation of the Direct Lending account with the additional staffing explained previously in response to finding 2012-06. For clarification, although a monthly reconciliation was not documented for review, the Direct Loan School Account Statement Reconciliation Reports (SAS) are being reviewed and compared to institutional transactional records daily/weekly for exceptions and corrected accordingly. Historical SAS transactions are also being kept to demonstrate compliance within this are for future audit review.	OPEN	11/29/12
		Borrower Data Transmission and Reconciliation	11/1/12 11/1/12	11	We recommend the Universities implement processes to ensure reconciliation is being performed and documented on a monthly basis.	UNR Associate Vice President, Business and Finance	The Financial Aid Office has implemented procedures to ensure the direct lending reconciliation is performed and documented on a monthly basis. The Financial Aid Office has formed a loan team to work together to ensure compliance with direct lending reconciliation.	OPEN	11/29/12
		Borrower Data Transmission and Reconciliation	11/1/12 11/1/12	12	We recommend the Universities implement processes to ensure reconciliation is being performed and documented on a monthly basis.	CSN Senior Vice President, Finance and Facilities	The technical errors that occurred during the implementation of the PeopleSoft system have been resolved. Additional	OPEN	11/29/12

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							procedures implemented within the department have also helped to facilitate the overall reconciliation process. Since April 2012, and through the start of the 2012-13 award-year the reconciliations have been successfully completed and documented each month as required. This recommendation has been implemented.		
		Eligibility Testing	11/1/12 11/1/12	13	We recommend the Institutions ensure system edit checks are operating effectively and producing accurate information to avoid an over award of funds.	CSN Senior Vice President, Finance and Facilities	To find changes in a student's status that would affect their financial aid award, (e.g., change in living status—with parent vs. off campus; or change from out-of-state to in-state status; etc.) queries are being developed to run on a monthly basis to capture these changes. Once identified, the student's file will be reviewed to ensure that an over-award situation has not occurred. It is important to note that these types of changes do not typically occur after the census date and a monthly review will be sufficient to capture these rare student changes. On another note, students who apply for a Direct Stafford Loan or College Work Study funds automatically have their Cost of Attendance reviewed to ensure that an over-award does not occur. This is a manual process undertaken by Financial Aid staff.	OPEN	11/29/12
		Eligibility Testing	11/1/12 11/1/12	14	We recommend the Institutions ensure system edit checks are operating effectively and producing accurate information to	UNR Associate Vice President, Business and Finance	The Office of Admissions and Records implemented a process to report student status changes to the Financial Aid	OPEN	11/29/12

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					avoid an over award of funds.		Office when a student's status changes from out-of-state to in-state to ensure the student's budget is correct and any adjustment to a student's award can be performed.		
		Loan Disbursement Notification Requirements	11/1/12 11/1/12	15	We recommend the Institution develop policies and procedures to ensure these required communications are sent to all students receiving TEACH grant, Perkin's Loans funds, or all types of Direct Loans.	UNR Associate Vice President, Business and Finance	The Financial Aid Office has changed the set up in PeopleSoft so that communications are sent out to the TEACH grant and Perkin's Loans recipients to notify them of their rights to cancel their award.	OPEN	11/29/12
		Loan Disbursement Notification Requirements	11/1/12 11/1/12	16	We recommend the Institution develop policies and procedures to ensure these required communications are sent to all students receiving TEACH grant, Perkin's Loans funds, or all types of Direct Loans.	CSN Senior Vice President, Finance and Facilities	The college has solved the technical problem associated with the 30-day loan notifications and the system is now working properly. Additional programming staff is being recruited for Student Financial Services to ensure that technical issues once identified can be addressed without undue delay. This recommendation has been implemented.		
		Disbursements to/Behalf of the Students (Direct Loans and Pell Grants)	11/1/12 11/1/12	17	We recommend the University develop and implement policies and procedures to ensure the required information is uploaded to COD in a timely manner and documented.	UNR Associate Vice President, Business and Finance	The Financial Aid Office has developed policies and procedures to ensure that Pell disbursement information is submitted to the Department of Education's Common Origination and Disbursement (COD) in a timely manner.	OPEN	11/29/12
		Disbursements to/Behalf of the Students (Direct Loans and Pell Grants)	11/1/12 11/1/12	18	We recommend the University develop and implement policies and procedures to ensure the required information is uploaded to COD in a timely manner and documented.	CSN Senior Vice President, Finance and Facilities	CSN has implemented procedures that require upload of records to COD at a minimum on a weekly basis. Over time, the staff's expertise in dealing with the PeopleSoft information system has steadily	OPEN	11/29/12

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							increased. Problems that occur with file exports and imports are now recognized earlier and corrected immediately. Due to these measures, this recommendation has been resolved.		
		Reporting	11/1/12 11/1/12	19	We recommend the Institution educate those responsible for completing the FISAP report on the key line items in the report that contain critical information. Accurate supporting documentation for each of these items should be complied and maintained.	UNR Associate Vice President, Business and Finance	The Office of Planning, Budget and Analysis will work cooperatively with the Financial Aid Office to ensure actual headcount numbers are provided each year for the FISAP.	OPEN	11/29/12
		Reporting	11/1/12 11/1/12	20	We recommend the Institution educate those responsible for completing the FISAP report on the key line items in the report that contain critical information. Accurate supporting documentation for each of these items should be complied and maintained.	UNLV Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	The query supporting the data in question has been adjusted and validated and the corrected information will be reported prior to the deadline of December 15, 2012. The focus of the review of the FISAP has traditionally been on the reconciliation and accuracy of the reported financial aid program data and so, unfortunately in this case, the institutional profile information that is the subject of this finding (which is not traditionally complicated to report) was overlooked in the review process. For future reporting periods; however, this item will receive the same level of review as the other data reported.	OPEN	11/29/12
		Verification and Updating of Student Aid Application Information	11/1/12 11/1/12	21	We recommend the College implement policies to ensure updating of student aid application information is accurate.	CSN Senior Vice President, Finance and Facilities	With the implementation of the PeopleSoft system, new ways to verify had to be established. And internal verification review checklist utilized with the SIS system was initially discarded.	OPEN	11/29/12

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							Over time it was realized that a review checklist was helpful to ensuring verification accuracy, and the "old" list was modified to work with the new PeopleSoft system. Additional queries have also been developed and staffing in the verification area has been strengthened. Finally, a departmental audit function was started whereby the supervisor will pull a certain number of files to check for accuracy and to determine if there are common errors that might occur that would indicate that additional targeted training might be necessary. This multi-pronged approach will ensure that accuracy and timeliness are maintained.		
		Verification and Updating of Student Aid Application Information	11/1/12 11/1/12	22	We recommend the College implement policies to ensure updating of student aid application information is accurate.	UNLV Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	In order to address ongoing compliance procedures including accuracy and thorough and timely review, UNLV has added five positions (including a Compliance Coordinator) to the Financial Aid and Scholarships processing unit in FY13. Also, a key position (Associate Director for Processing) was vacant due to turnover which is currently in the process of being filled. We fully expect these additional resources to ensure timely and accurate compliance procedures are maintained. The additional staff will allow greater office administrative capability, training opportunities, and cross checking of work for accuracy to minimized future	OPEN	11/29/12

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							compliance concerns.		
		Enrollment Reporting	11/1/12 11/1/12	23	We recommend the institutions develop policies and procedures to ensure student status changes are uploaded and reported accurately to the clearinghouse.	CSN Senior Vice President, Finance and Facilities	In identifying the technical issues that related to the programming issue, CSN reached out to the other NSHE institutions that were experiencing similar errors. Multiple technical issues were remedied as they relate to the National Clearinghouse Enrollment Reports. Since those corrections/adjustments have been made this problem has been resolved. This recommendation has been completed.	OPEN	11/29/12
		Enrollment Reporting	11/1/12 11/1/12	24	We recommend the institutions develop policies and procedures to ensure student status changes are uploaded and reported accurately to the clearinghouse.	UNR Associate Vice President, Business and Finance	The Office of Admissions and Records has developed policies and procedures to ensure student status changes are uploaded and reported accurately to the clearinghouse.	OPEN	11/29/12
		Enrollment Reporting	11/1/12 11/1/12	25	We recommend the College of Southern Nevada develop policies and procedures to ensure student status changes are reported in a timely manner and test the controls put in place to ensure they are operating effectively.	CSN Senior Vice President, Finance and Facilities	Each academic year, CSN submits a transmission calendar and an enrollment verification report is forwarded to the National Student Clearinghouse on a monthly basis. Due to a technical issue that occurred at the end of Fall 2011 term, the enrollment verification report did not pull the required information. It took the combined efforts of the institution Cedar Crestone and NSHE System Computing Services to ultimately correct the problem. The National Student Clearinghouse was notified of the technical issues and after multiple attempts to send this report, the Fall 2011	OPEN	11/29/12

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							file was finally successfully processed on January 26, 2012. The situation cited was an isolated one, and the technical issue has been resolved. This recommendation has been implemented.		
		Disbursements to or on behalf of Students	11/1/12 11/1/12	26	We recommend the University implement processes to ensure outstanding check listings for Title IV funds are reviewed to ensure timely return of funds to ED.	UNR Associate Vice President, Business and Finance	As a result of this finding we are rewriting campus procedures for handling stale dated checks. This process will review the checks to determine if the students for whom the checks were issued involved Title IV funding. When and if such are identified the funds will be refunded to the Department of Education. In addition, we are redefining the responsibility for this review.	OPEN	11/29/12

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<u>UNR INTERNAL AUDIT REPORTS</u>									
UNR	Graduate School Human Resources	File Review	10/18/12 1/24/13	1	We recommend university policy be updated to include the testing exceptions noted above.	Associate Vice President, Business and Finance	Amendments have been drafted to the University Administrative Manual and the Graduate Assistantship Handbook that notes exceptions to the testing policy for international students that have received an undergraduate degree from a U.S. institution or are originating from an English-speaking country that is exempt from the English language test requirements.	OPEN	2/28/13
		File Review	10/18/12 1/24/13	2	We recommend the individuals be requested to retake the tests. In the future, we commend the required test scores be achieved before international GTAs are employed.	Associate Vice President, Business and Finance	One individual that did not meet the minimum score on the TOEFL speaking section is no longer a Teaching Assistant. One of the three GTA's that did not meet the minimum TOEFL score took a computer based version of the TOEFL. This is an approved substitution and the student met the minimum score for that test. The third that scored below minimum on the TOEFL speaking section took the Speak Test and passed that test which is a substitution permitted by policy. The GTA that was granted an exception with the requirement to test to retain the assistantship completed the Speak Test with a satisfactory score and was granted an exception, documented by memo, for another semester on August 9, 2012 to complete the TOEFL at the required level.	OPEN	2/28/13
UNR	University Studies Abroad Consortium	Contracts	8/5/12 11/15/12	3	We recommend an agreement be completed with the institution to document the terms and conditions of the relationship	Associate Vice President, Business and Finance	That arrangement is under review by USAC and university administration.	OPEN	2/28/13

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		Contracts	8/5/12 11/15/12	4	We recommend that consideration be given for developing a contract checklist in consultation with university legal counsel.	Associate Vice President, Business and Finance	We agree with the recommendation and will work with university administration to develop a contract checklist to be used with foreign institutions. We anticipate that this checklist of important contract terms will be completed by June 30, 2013.	OPEN	2/28/13
		Employee Agreements	8/5/12 11/15/12	5	We recommend a review be performed to determine the circumstances under which resident directors are hired as university employees and as non-university employees. In doing so, we recommend the residency status of these individuals, U.S. and foreign income tax implications, and other related issues be considered. Once the review is completed, we recommend documented procedures be developed that address this area. We also recommend the employment status of USAC's current resident directors be reviewed for compliance with the established criteria.	Associate Vice President, Business and Finance	We agree with the recommendation and USAC will work with university human resources and university administration to develop written criteria to determine what is the appropriate arrangement for hiring or contracting with residential directors taking into consideration the residency status, tax implications and local in-country requirements. We will review the employment status of USAC's current resident directors for compliance with the newly established criteria. We anticipate the written criteria to be completed by June 30, 2013. USAC management staff will compare the employment contracts of all residential directors to the newly established criteria and will implement changes where necessary.	OPEN	2/28/13
		Employee Agreements	8/5/12 11/15/12	6	We recommend the checklist include a requirement that employment agreements are signed by authorized university officials.	Associate Vice President, Business and Finance	We agree that the checklist for contracting with resident directors as non-university employees is a good idea. USAC will work with general counsel and university human resources to determine what should be included in the employment agreements. We	OPEN	2/28/13

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							anticipate the written criteria to be completed by June 30, 2013. These criteria will define signature requirements for contracts with residence directors who are non-university employees.		
		Foreign Bank Accounts	8/5/12 11/15/12	7	We recommend the foreign bank accounts be submitted to the Board of Regents for approval. We also recommend the three personal accounts be closed and reestablished under USAC's name.	Associate Vice President, Business and Finance	USAC will review all 27 program bank accounts for compliance with new procedures enacted by the board. The establishment of new bank accounts for USAC programs will be submitted for approval by the university controller to the NSHE Vice Chancellor for Finance. Bank accounts that require variance from established policy will be discussed with the university controller and the NSHE Vice Chancellor for Finance prior to the establishment of the account	OPEN	2/28/13
		Financial Aid	8/5/12 11/15/12	8	We recommend the account be included on USAC's internal listing of scholarship accounts. We also recommend that USAC administration consider issuing the funding to students based on the requirements of the award.	Associate Vice President, Business and Finance	The account has been reviewed and added to USAC's internal listing of scholarship accounts. The funds will be distributed to USAC students in the form of scholarships beginning in the Summer 2013 semester upon student application, criteria selection and processing.	OPEN	2/28/13
		Application Review	8/5/12 11/15/12	9	We recommend the criticality of the applications be assessed by the USAC IT Department and that contingency and/or disaster recovery plans be developed accordingly.	Associate Vice President, Business and Finance	USAC currently performs daily backups at USAC's facility, as well as at UNR's facility. The backups include all servers, including the ones containing the two applications in question. A disaster recovery plan is being developed to formalize all steps for recovery of every	OPEN	2/28/13

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							server. The estimated date of completion will be March 15, 2013. The USAC IT department is responsible for the creation, review and ongoing maintenance of the disaster recovery plan.		
UNR	School of Medicine Reorganization Plan	Accounting and Finance	3//22/12 1/24/13	10	We recommend this issue be reviewed to determine whether separate instances of the same billing system could be implemented at each Practice Plan site that would allow the use of separate tax identification numbers.	Associate Vice President, Business and Finance	In September 2012 the University of Nevada School of Medicine signed a contract with General Electric for the purchase of their Centricity Business (Practice Management System) and the Electronic Medical Record System. In November 2012 the school held a two day kick off for the implementation of the practice management and electronic medical record systems. The current implementation plan calls for a September 2013 go live for the practice management system and an October 2013 go live for the electronic medical records system in the initial clinics with all other clinics following shortly thereafter. This implementation will provide one billing system throughout the entire practice except the pharmacy which operates under a different system specifically for pharmacy operations.	OPEN	2/28/13
		Operating Policies	3//22/12 1/24/13	11	We recommend a review of the manual be performed and that a list of revisions be submitted to the ICS Board for approval. We recommend the manual be updated with the approved revisions.	Associate Vice President, Business and Finance	All legacy policies have been placed in a centrally located database (University of Nevada, Reno Sharepoint) to allow simultaneous review by clinical managers, department administrators and the Compliance and Quality Assurance Committee. Currently, certain policies, not impacted by the	OPEN	9/6/12

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							<p>implementation of the new systems, are being selected for review. During the rollout of the new practice management system and electronic medical record all policies impacted by the new system relating to billing, clinical operations, financial and accounting, purchasing and contracting will be reviewed and updated to reflect the new business processes. The new policies will be submitted to the Integrated Clinical Services (ICS) Board as Consent Agenda items. All personnel policies are currently up to date; however any changes required due to the new practice management system and electronic medical will be handled in the same manner mentioned above.</p> <p>This process may take up to 18-24 months to complete.</p>		
	Accounting and Finance		3/22/12 1/24/13	12	We recommend this issue be reviewed to determine whether separate instances of the same billing system could be implemented at each Practice Plan site that would allow the use of separate tax identification numbers.	Associate Vice President, Business and Finance	In September 2012 the University of Nevada School of Medicine signed a contract with General Electric for the purchase of their Centricity Business (Practice Management System) and the Electronic Medical Record System. In November 2012 the school held a two day kick off for the implementation of the practice management and electronic medical record systems. The current implementation plan calls for a September 2013 go live for the practice management system and an October 2013 go live for the electronic medical records system in the initial clinics with	OPEN	2/28/13

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		Operating Policies	3/22/12 1/24/13	13	We recommend a review of the manual be performed and that a list of revisions be submitted to the ICS Board for approval. We recommend the manual be updated with the approved revisions.	Associate Vice President, Business and Finance	<p>all other clinics following shortly thereafter. This implementation will provide one billing system throughout the entire practice except the pharmacy which operates under a different system specifically for pharmacy operations.</p> <p>All legacy policies have been placed in a centrally located database (University of Nevada, Reno Sharepoint) to allow simultaneous review by clinical managers, department administrators and the Compliance and Quality Assurance Committee. Currently, certain policies, not impacted by the implementation of the new systems, are being selected for review. During the rollout of the new practice management system and electronic medical record all policies impacted by the new system relating to billing. Clinical operations, financial and accounting, purchasing and contracting will be reviewed and updated to reflect the new business processes. The new policies will be submitted to the Integrated Clinical Services (ICS) Board as Consent Agenda items. All personnel policies are currently up to date however any changes required due to the new practice management system and electronic medical will be handled in the same manner mentioned above. This process may take up to 18-24 months to complete.</p>	OPEN	2/23/13

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UNR	Joe Crowley Student Union	Other – Key Issuance	7/7/10 1/28/11	14	We were informed that the university's policies for issuing keys and access cards and the requirements for signing issuance forms are in the process of being revised. We recommend the revisions be completed in a timely manner and that they address the issues mentioned above. We recommend the university's key policies be updated when the revisions are completed.	Vice President for Student Services	The committee has not yet completed its review and revision of the key policies.	OPEN	3/10/11
UNR	Hosting	Host Expenditure Review	3/8/13 4/19/13	15	We recommend the department that made the purchase be reminded of the policy.	Associate Vice President, Business and Finance	The employees are in fact medical residents who are interns in training and required to work unusual hours in a hospital setting. We are of the opinion that this activity is a justifiable expense. We intend to seek a change in the Procedures and Guidelines Manual to recognize the need for this accommodation.	OPEN	6/6/2013
UNR	Associated Students of the University of Nevada	Cash Controls	1/18/13 4/5/13	16	We recommend that ASUN management review the accounting records of both financial systems to determine the reason for the variance. In the future, we recommend the balances that are recorded in the two financial systems be reconciled on a monthly basis. We recommend the reconciliation be performed by an employee that is independent of the collection and deposit process and that the reconciliations be provided to the ASUN Director for review.	Associate Vice President, Business and Finance	ASUN management has reviewed the accounting records of both financial systems and determined the reason for the variance. We are in the process of converting the club accounts from the department's subsidiary internal accounting application to individual accounts in the university financial system. We expect this process to be completed by June 30, 2013. ASUN leadership are in the process of adjusting their seminal documents to direct the removal of club accounts that have been financially inactive for two full years. The Director of ASUN has initiated a review of club accounts and placed all inactive club accounts and their monies in a	OPEN	6/6/2013

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							new university account called Inactive Clubs.		
		Cash Controls	1/18/13 4/5/13	17	We recommend revisions to the procedures manual be made, as necessary.	Associate Vice President, Business and Finance	Revisions to the procedures manual have been made as necessary in a number of areas. Completion date is June 1, 2013.	OPEN	6/6/2013
		Student Officer Compensation	1/18/13 4/5/13	18	We recommend that ASUN management work with university legal counsel and the BCN Payroll Department to determine whether UNR has a legal obligation to pay the student officers. We also recommend that ASUN develop a policy that addresses exceptions to the compensation of student officers.	Associate Vice President, Business and Finance	ASUN Management will work with university legal counsel and BCN Payroll department to determine whether or not UNR has a legal obligation to pay these former student officers. We have since developed a policy that addresses exceptions to compensation for newly elected student officers.	OPEN	6/6/2013
		Contracts	1/18/13 4/5/13	19	If it is desirable for ASUN and the GSA to enter into a new profit sharing agreement, we recommend that the contract be completed and signed and maintained in their files. In the future, we also recommend that ASUN take greater care to ensure that copies of fully executed agreements are maintained in the association's files.	Associate Vice President, Business and Finance	The ASUN President and the GSA President will meet to prepare a new profit sharing agreement. A fully executed copy of the contract will be maintained in the ASUN files once it has been completed.	OPEN	6/6/2013
		Budgeting Process	1/18/2013 4/5/2013	20	We recommend the budget requirements included in the SAS be reviewed by the student government to determine whether each of the steps are necessary. If it is determined that steps can be eliminated, we recommend the budget procedures be updated upon approval of the student government.	Associate Vice President, Business and Finance	The budget procedures have been reviewed in response to this audit by the ASUN Budget and Finance Committee and the ASUN Government Operations committee. The ASUN Student government is in the process of removing 10 of the 19 steps in the budgeting process.	OPEN	6/6/2013
UNR	Differential Program and Special Course Fees	Account Balances	2/4/13 3/29/13	21	We recommend the Special Course and Differential Program Fees associated with the accounts be reviewed to determine whether the fees are	Associate Vice President, Business and Finance	The course fees associated with items 1-3 above have been reviewed and have been determined to be appropriate. The balance noted in item 1	OPEN	6/6/2013

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					reasonable or need to be adjusted.		(\$21,546) relates to the repair and replacement of expensive musical instruments. The course fee was originally intended to be used, along with private funds, to purchase one new Steinway piano. The College/Department's fundraising efforts were more successful than expected so the funds collected in the course fee were not expended during FY 2012. The Music Department has committed the funds in this account to acquiring additional Steinways and making needed repairs to the University's Stradivarius violin, and will reduce the balance in this account to less than 10% of current year revenues by fiscal year end. Items 2 and 3 above relate to balances in the Differential Fees for the College of Engineering (item 2) and College of Business (item 3). The large balances in these accounts are due primarily to efforts on the part of each college to fully engage its faculty and students in the allocation of these funds, and subsequently, the time required to initiate and complete faculty searches. The College of Engineering has several active searches in process, or recently completed, to hire a web communications specialist, student advisor, and lecturers in Mechanical Engineering and Computer Science. The College of Business recently completed searches for two new accounting professors as well as a position to handle		

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							Graduate Student Career Services. All of the above positions are consistent with the plan submitted to the Board of Regents. The addition of these positions in the Colleges of Engineering and Business will draw down the balances in the Differential Fee accounts and bring expenditures in line with on-going revenues.		
		Statement of Revenue and Expenditures	2/4/13 3/29/13	22	We recommend compliance with the policy or that the policy be revised to address the circumstances under which Special Course Fees can be transferred.	Associate Vice President, Business and Finance	Language has been submitted to the University's Administrative Manual Committee which revises existing policy. Transfers out would be permissible only in instances where the transfer was specifically identified in the proposal approved by the Course Fee Committee or necessary to correct a processing or allocation error.	OPEN	6/6/2013
UNR	Business Center North- Payroll Office	Stale Dated Checks	1/29/13 3/22/13	23	We recommend unclaimed and outstanding payroll checks be reviewed and cancelled on a more frequent and consistent basis. For improved control, we also recommend that this function be performed by an employee that is not responsible for completing the bank reconciliation.	Associate Vice President, Business and Finance	The existing stale dated check policy is outdated and has been re-written. The new policy assigns responsibility to an employee who does not reconcile the bank account. It is currently under review by different departments. Once the review is complete and policy finalized it will be put into place. We expect this to be completed by April 30, 2013	OPEN	6/6/2013

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<u>UNLV INTERNAL AUDIT REPORTS</u>									
UNLV	Consolidated Students of the University of Nevada, Las Vegas	Scholarship Awards	10/10/12 11/14/12	24	We recommend CSUN officials review Senate Bylaw 63 and establish a process to ensure the allocation and distribution of funds to Career Services.	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	The intent of the bylaw was to make \$9000 available annually to Career Services if requested. A member of the Career Services staff has to appear at a CSUN Senate meeting as an agenda item to specifically request the funding so the award could be officially authorized at that Senate meeting. This is what has been done historically. For the year noted in the audit, Career Services did not make a request and therefore; the award was not made. CSUN Bylaw Committee will review Bylaw 63 and make a recommendation. The recommendation for a change will be approved by the CSUN Senate. We expect to have this process completed by September, 2013.	OPEN	2/28/13
		Elections	10/10/12 11/14/12	25	We recommend a review of Senate Bylaw 33 be performed by CSUN officials to determine whether collecting the filing fee is necessary, and whether an alternative to collecting this fee can be developed and implemented to manage candidate compliance with campaign and advertising regulations.	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	Forty to seventy Candidates file for an elected position within CSUN annually. They are currently required to provide a refundable \$50 filing "fee" as part of the application process. The filing fee is for violations that may occur as part of the election process. These fines are collected from the filing fee. At completion of the election process the remaining filing fee is returned to the candidate net of any deductions for violations. The majority of the filing fees are returned in their entirety. As noted by the auditor, the administrative costs of collecting the fees, preparing deposits, and preparing forty to	OPEN	2/28/13

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							<p>seventy refund checks is an expensive process to the University. As a work-around, the CSUN Business Manager held the funds in the safe and returned the funds to the students upon completion of the process.</p> <p>The Senate is currently reviewing alternatives to the current process. We expect to have revisions to the current bylaw, to include alternatives to the current process for collecting filing fees by September, 2013.</p> <p>Most of the filing fees are provided to CSUN via a personal check. After consulting with the University Controller, we have come to a consensus that checks can be stamped on the back "for deposit only" and kept in the safe. Cash filing fees will be deposited in accordance with UNLV cash handling policies. Checks with no fines will be returned to the applicants at the conclusion of the election. All other checks will be deposited and refund will be processed net of any applicable fines. We believe that this is the best process as the risk of loss is immaterial.</p>		
UNLV	First Year Housing Exceptions	Communications	11/14/12 1/22/13	26	We recommend HRL communicate with the entities responsible for publishing these communications to pursue adding this additional information to the guides.	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	These documents are updated annually in May. The changes noted above will be incorporated in the next updated version of each guide.	OPEN	2/28/13
		Policies and Procedures	11/14/12 1/22/13	27	We recommend the first year on-campus housing policy be reviewed and approved by the president's cabinet to facilitate	Associate Vice President, ICA/TMC Business Services, Auxiliary	The Vice President for Student Affairs will consult with the President about the policy change. We expect to have	OPEN	2/28/13

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					ratification into an institutional policy.	Financial Services	this implemented by September 30, 2013.		
UNLV	Faculty Dental Practice	Provider Credentialing	8/3/12 4/29/13	28	We recommend further development of the database for managing professional certifications and credentialing, including FDP physicians.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	The modifications to the database have been more complex than anticipated. We are currently investigating software packages that will help with the credentialing process. The software will require additional hardware, also. We are researching the costs of these packages. During this process, we have established a work around process. Two additional student workers have been hired to complete the signature process and ensure that the current spreadsheet is maintained. The department has an administrative assistant who oversees the process and the two student employees. Since the process will involve a significant cost and will require a competitive bid process, we anticipate that this action will be completed by December, 2013.	OPEN	6/6/13
UNLV	Network Security	Router Testing	7/30/11 11/8/12	29	We recommend that UNLV update the router access control lists to comply with industry best practice regarding 'deny by default'. The National Security Agency (NSA) Router Security Configuration Guide is an excellent resource in this regard.	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	The remaining three work sessions designed to provide significant input into the initial draft of the plan were held in June. The firewall project is in progress. We anticipate having this recommendation implemented by 12/31/13.	OPEN	6/18/13
		Router Testing	7/30/11 11/8/12	30	We recommend that UNLV's network design employ a 'defense-in-depth' posture whereby all internal addresses are protected behind a router and firewall (see firewall	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	The firewall project has been in progress since April, 2013. Full implementation of this policy will be part of the OIT Master Plan, which is expected to be complete by 12/31/14.	OPEN	6/18/13

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					recommendation #1 below). NSHE Procedures and Guidelines Manual (PGM) chapter 14 Section 3.3 discusses this as well.				
		Firewall Testing	7/30/11 11/8/12	31	We recommend that UNLV establish a firewall DMZ for their high risk servers that require access from the Internet and limit traffic on the protected servers to only the necessary ports and protocols. NIST SP800-44v2 discusses securing public facing servers.	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	There are now 105 networks in the Data Center DMZ. A project is in progress to remove most of the servers from the legacy CBC data center and position them behind the firewall in the TBE data center. We anticipate having all servers under OIT control to be in the new security zones by 12/31/13. We have not yet established a completion date for non-OIT servers.	OPEN	6/18/13
		Computer Testing	7/30/11 11/8/12	32	We recommend that UNLV create a process that ensures that critical patches, antivirus and system integrity software be installed and updated in a timely manner. Further, security software should be restricted from being disabled by the user.	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	We now have approximately 800 computers with the desktop management software installed. We are on pace to have this recommendation fully implemented by December, 2013. Full implementation of the policy related to this recommendation will be part of the OIT Master Plan and is expected to be implemented by 5/31/14.	OPEN	6/18/13
		Computer Testing	7/30/11 11/8/12	33	We recommend that computers on the network should require a user to authenticate with a unique user id that identifies the individual logging into the computer/network as specified in NSHE PGM chapter 14 Section 2.1	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	Because of a lack of suitable applicants, the Identity Management Architect search has been cancelled. Instead, we will engage consultants to help with the deployment. The scope of the work is being defined for the first phase of the project. The Identity and Access Services Manager field has been narrowed and interviews are being scheduled. We anticipate having the migration completed by 5/31/14 as part of the OIT Master Plan.	OPEN	6/18/13

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		Computer Testing	7/30/11 11/8/12	34	We recommend that UNLV implement a method that will allow them to remotely administer and manage personal computer systems.	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	We now have approximately 800 computers with the desktop management software installed. We are on pace to have this recommendation fully implemented by December, 2013. Full implementation of the policy related to this recommendation will be part of the OIT Master Plan and is expected to be implemented by 5/31/14.	OPEN	6/18/13
		Network Server Testing – Novell Netware Server	7/30/11 11/8/12	35	We recommend that UNLV plan and implement a migration path away from the unsupported Netware system. In the meantime we recommend that UNLV implement configuration changes to the server as identified by the Novell security benchmark, if possible.	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	File services migration for faculty and staff will continue through the next academic year. We anticipate having the migration complete by 12/31/13.	OPEN	6/18/13
		Network Server Testing – Novell Netware Server	7/30/11 11/8/12	36	We recommend that UNLV eliminate generic IDs and disable /remove user accounts for faculty and students that either terminated or are no longer actively enrolled. Further, a process needs to be developed to ensure that both student and faculty IDs are updated in a timely manner when status changes occur.	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	Because of a lack of suitable applicants, the Identity Management Architect search has been cancelled. Instead, we will engage consultants to help with the deployment. The scope of the work is being defined for the first phase of the project. We anticipate having the process completed by 10/31/14.	OPEN	6/18/13
		Wireless and VPN Access	7/30/11 11/8/12	37	We recommend that UNLV remove or shut down unauthorized wireless access points on their network.	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	New resources to manage unauthorized wireless access points will be available by September 1, 2013. The project to add 500 new wireless access points is in progress. All parts have been ordered and project scheduling has begun. We anticipate that the entire campus will be on a single wireless system by 12/31/14.	OPEN	6/18/13

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		Policies, Procedures and Best Practices	7/30/11 11/8/12	38	We recommend that UNLV complete and adopt a comprehensive set of information security policies that are applicable across the university in a timely manner.	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	Final approval for one of the policies was granted in May 2013. One policy is still undergoing internal review. One policy is in draft form. The Uniform Password Policy received final approval in May 2013. The Consultant Confidentiality Agreement required modifications to ensure compliance with Nevada Revised Statutes. This policy is expected to be sent to General Counsel in July. We anticipate having this process completed by 12/31/13.	OPEN	6/18/13
		Policies, Procedures and Best Practices	7/30/11 11/8/12	39	We recommend that UNLV perform a risk assessment so that a contingency plan can be created.	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	The final network configuration is still pending, and procedures have not yet been finalized. We anticipate having this process Completed by 12/31/14.	OPEN	6/18/13
		Policies, Procedures and Best Practices	7/30/11 11/8/12	40	We recommend that UNLV develop and implement a security awareness training program.	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	A package designed to help with the campaign called "Securing the Human" created by SANS will be purchased in July. The materials include training modules and marketing materials that will be used as part of the campaign. A faculty member will help with the development of the metrics designed to measure the success of the campaign. The kick-off for the security campaign is scheduled for October and we expect full implementation of this recommendation by 12/31/13.	OPEN	6/18/13
		Special Considerations for Non OIT Managed Resources	7/30/11 11/8/12	41	We recommend that UNLV develop system-wide policies and procedures that address the security administration and data security needs of the university. Alternately, critical computing	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	The servers in the Lee Business School were moved as of 6/1/13. We continue to develop the policy and expect to have this process completed by 12/31/14.	OPEN	6/18/13

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					resources could be brought under the control of the central IT function.				
UNLV	Residency Determinations	Communication	1/22/13 3/12/13	42	We recommend consideration be given to include a FAQ Page as a resource tool for students seeking guidance or clarification on residency, as well as providing links to applicable NSHE and BOR policies.	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	An FAQ has been developed and has been submitted to the web communications team for development and placement on our web site. The page should be available to students on the web site by June 1, 2013.	OPEN	6/6/2013
		Other-Residency Policies	1/22/13 3/12/13	43	We recommend System Administration provide guidance in determining whether graduates of a Nevada high schools considered aliens should be granted residency under BOR Handbook, Title 4, Chapter 15.	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	System Administration is currently working with institutional Student Affairs Officers to clarify the policy regarding residency status for resident aliens and address matters such as which specific circumstances a resident alien may be granted residency for tuition purposes. A policy revision is expected to be presented to the Board at the September 5-6, 2013 meeting for consideration.	OPEN	6/6/2013
		Other-Residency Policies		44	We recommend System Administration perform a review of Subsections 8.2 and 8.4 and provide guidance to institutions to clarify whether supporting items listed under both requirements can be applied simultaneously to fulfill each of the two separate residence tests.	Associate Vice President, ICA/TMC Business Services, Auxiliary Financial Services	System Administration is currently working with institutional Student Affairs Officers to revise the residency reclassification process and potentially combine the lists of documentation required to demonstrate "bona fide residence" and "intent to remain in Nevada." It is anticipated that this policy revision will go to the September 5-6, 2013 meeting for consideration.	OPEN	6/6/2013

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<u>NSC INTERNAL AUDIT REPORTS</u>									
NSC	Bookstore Operations	Merchandise Inventory	8/28/12 10/1/12	45	We recommend a policy and procedure be established for reporting and supporting changes occurring in merchandise inventory balances. This will enable management outside the bookstore to monitor whether merchandise inventories are being properly controlled.	Senior Vice President for Finance and Administration	A process has been initiated to review all existing policies and procedures informally adopted from best business practices and industry standards related to inventory control. The NSC Controller's Office is assisting with this process to ensure that appropriate policies and procedures are in place to provide sufficient detail which will explain balance changes over the course of the year.	OPEN	2/28/13
NSC	Network Security	Server Facilities	9/30/11 7/26/12	46	We recommend that NSC develop a long-term plan for a proper server facility and, where possible, address the shortcomings of the current facilities.	Senior Vice President for Finance and Administration	NSC has now purchased a generator as recommended by the audit. Conduit work is currently near completion and the generator will be installed and functioning the week of July 8, 2013.	OPEN	6/26/13
NSC	Sponsored Projects Administration	Sponsored Projects Administration	1/25/13 4/26/13	47	We recommend SPA develop a formal written policies and procedures manual to address key steps and functions in the stages of contract and grant awards from pre-award through post-award including contract closeout, program income, effort reporting, cost transfers and record retention. This could also include the need to develop supporting checklists and routing forms for key activities.	Senior Vice President for Finance and Administration	Formal written policies and procedures are being developed and will be reviewed by NSC's College Policy Advisory Committee (CPAC) this summer. The information will be released to the NSC faculty prior to the Fall 2013 semester.	OPEN	6/6/2013
		Sponsored Projects Administration	1/25/13 4/26/13	48	We recommend SPA develop a website to provide and disseminate procedural guidance to NSC staff, which should help support its goal of being the central point on campus for issues related to contract and grant activities.	Senior Vice President for Finance and Administration	The webpages for dissemination of NSC sponsored projects information are being developed for the NSC website. Currently, the NSC website is being revised and the Director of Budgets and Sponsored Projects Administration is now a	OPEN	6/6/2013

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							member of the Web Communications Committee (WCC). The NSC sponsored projects webpages will be live prior to the Fall 2013 semester. In the interim, sponsored projects information is available on the shared drive.		
	Sponsored Projects Administration		1/25/13 4/26/13	49	We recommend SPA develop training materials, courses or classes to communicate expectations, availability, services, and rules and guidelines to be followed by institutional personnel when engaging in contract or grant activities. This training material or information could be delivered through a mix of live classroom courses, online courses or general information made available through website posting.	Senior Vice President for Finance and Administration	Sponsored projects training materials on the life cycle activities of sponsored projects were developed and presented at a Faculty & Staff Development Day on January 16, 2013 and at NSC HR Liaisons Meetings on February 5 and 7, 2013. These materials are available on the shared drive pending the implementation of the webpages. Additional training materials are being developed with more in depth information on the topics of searching for funding opportunities, developing proposals, negotiating awards, managing subawards, and tracking cost share.	OPEN	6/6/2013
	Sponsored Projects Administration		1/25/13 4/26/13	50	We also recommend when funds are available that NSC consider hiring or providing an additional staff member to support the director in administering and monitoring sponsored projects, since the director is currently tasked with dividing time and efforts between two different operational areas, Budget and Sponsored Projects. Appropriate staffing of SPA could become more of a concern as the institution grows and expands its base of awards.	Senior Vice President for Finance and Administration	The office of Budgets and Sponsored Projects Administration will be recruiting two professional Budget Analyst/Grant Analyst positions for FY14. The first position will be filled by July 2013 and will focus on soft budget accounts and post-award activities, including the set-up of multi-year accounts, the preparation and processing of grant invoices and draws, the monitoring of grant expenditures and cost share, the certification of time and effort, and the close-out	OPEN	6/6/2013

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		Direct Cost Expenditures	1/25/2013 4/26/2013	51	We recommend that SPA implement a procedure for performing periodic sampling of direct costs charged to awards. This proactive control activity should aid the institution in ensuring they are aware of, and in agreement with, the types of ongoing activities and resulting costs being passed to sponsors.	Senior Vice President for Finance and Administration	awards. The formal written policies and procedures under development include specific language with respect to determination of allowability, allocability, and reasonableness of given expenses based on the specific guidelines of sponsors and according to Federal cost principles. With the addition of two new professional Budget Analyst/Grant Analyst positions, the Office of Budgets and Sponsored Projects Administration will have the staffing to perform quarterly mini-audits of all grant accounts.	OPEN	6/6/2013
		Effort Reporting	1/25/13 4/26/13	52	We recommend the institution implement as effort reporting policy and procedure to comply with federal requirements.	Senior Vice President for Finance and Administration	The formal written policies and procedures under development include specific language with respect to effort reporting. Semi-annual effort reports (Federal requirement is annual reports) will be collected on all NSC projects. With the addition of two new professional Budge Analyst/Grant Analyst positions, the Office of Budgets and Sponsored Projects Administration will have the staffing to collect semi-annual effort reports.	OPEN	6/6/2013

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		Equipment	1/25/13 4/26/13	53	We recommend the Controller's Office and the Facilities Department perform periodic reconciliation of equipment to ensure items purchased are identified with asset tags and on an equipment record for inventory tracking purposes. This reconciliation process was noted to be in place for information technology (IT) equipment, but not for non-IT equipment.	Senior Vice President for Finance and Administration	NSC's Office of Information Technology has a Technology Asset Management Policy for the procurement, tracking, removal, and protection of information technology assets. A similar policy is being developed for non-IT equipment. The Controller's Office and the Facilities Department will be working with the new Associate Vice President for Finance and Administration (May 1, 2013 hire date) to develop the non-IT asset management policy. Currently, non-IT equipment is tagged and depreciated after the Controller's Office recognizes the expenditure on an account. The Office of Budgets and Sponsored Projects Administration now codes all equipment purchases to object code 60 in the ADVANTAGE Financial System, which alerts the Controller's Office of the purchase.	OPEN	6/6/2013
		Reporting	1/25/2013 4/26/2013	54	We recommend the processes and procedures in place for providing financial reports to sponsors be reviewed to ensure timely submission of required reports.	Senior Vice President for Finance and Administration	Previously, the Controller's Office submitted the financial reports for NSC's Sponsored Projects. The Office of Budgets and Sponsored Projects Administration now submits all the financial reports for new awards and works in conjunction with the Controller's Office to close-out	OPEN	6/6/2013

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							old awards. This transition to the Office of Budgets and Sponsored Projects has improved the timeliness and accuracy of reports. Technical reports are prepared by the Principal Investigator (PI), and the Office of Budgets and Sponsored Projects Administration works closely with the PI to ensure these reports are also submitted in a timely manner. The formal written policies and procedures under development include specific language with respect to reporting requirements. Sponsored projects training materials also are being developed which address reporting requirements.		

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<u>TMCC INTERNAL AUDIT REPORTS</u>									
TMCC	Controller's Office	Travel	9/17/12 10/31/12	55	We recommend employees be reimbursed for room taxes as long as the base lodging rate does not exceed the maximum allowed by the General Services Administration (GSA).	Vice President of Finance and Administrative Services	Travel Accounts Payable staff has been reminded that lodging reimbursements include room taxes as long as the pre-tax base lodging rate is within GSA allowances. TMCC is currently in the process of reviewing and updating travel procedures; updated procedures will be implemented in the first quarter of 2013. Communication of updated procedures will be initiated once final approval received.	OPEN	2/28/13
		Travel	9/17/12 10/31/12	56	We recommend compliance with the established travel policy.	Vice President of Finance and Administrative Services	We would like to evaluate situations where toll charges exceed the incidental allowance of \$5 per day as part of our current travel procedures update. Clear definition of incidental allowances will be included in TMCC's travel procedures update, currently in process. Communication of updated procedures will be initiated once final approval received.	OPEN	2/28/13
		Travel	9/17/12 10/31/12	57	We recommend the employee reimburse the institution for the Business Select charges that were incurred in fiscal year 2011-12.	Vice President of Finance and Administrative Services	Traveler reimbursed college for Business Select Upgrades on 6/23/11. The College now ensure either to seek reimbursement for Business Select Upgrade charges or not allow Business Select travel status. Update to the travel procedures is currently in process and will clarify that additional upgrade charges included in airline ticket prices are not reimbursed by college. Communication of updated procedures will be	OPEN	2/28/13

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							initiated once final approval received.		
		Travel	9/17/12 10/31/12	58	We recommend the Controller's Office review travel claims with greater care to ensure expenses are valid. If errors are noted on the forms, they should be returned to the traveler for the necessary corrections.	Vice President of Finance and Administrative Services	TMCC's Travel Expense Claim form "Method of Travel" options have been expanded to include "Private Car". Travel Accounts Payable staff has been reminded to verify that Method of Travel is consistent with other charges on Claim. Communication of updated procedures will be initiated once final approval received.	OPEN	2/28/13
		Travel	9/17/12 10/31/12	59	We recommend employees provide itemized hotel receipts. If an itemized receipt is not included with the travel claim, the Controller's Office should request one from the traveler.	Vice President of Finance and Administrative Services	We agree that itemized receipts should be included with travel expense claim. In this situation, the reservation was made and pre-paid through hotels.com and included an itemized receipt from hotels.com showing the dates of stay, the tax recovery charge, the total amount and the fact that reservation was paid in full; the Travel Request included documentation that hotels.com price was lower than the booking price offered by the hotel directly. Since no payment was made to hotel, the hotel would not have provided the receipt. Although the Travel Expense Claim included an itemized receipt from hotels.com, the traveler has been reminded to <u>try</u> to get another receipt from the hotel directly. Communication of updated travel procedures will include a reminder to request itemized receipts from hotels in all situations.	OPEN	2/28/13
		Travel	9/17/12 10/31/12	60	We recommend foreign travel expenses converted to United	Vice President of Finance and	Updated travel procedures will address the process for	OPEN	2/28/13

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					States dollars.	Administrative Services	converting foreign travel expenses to U.S. dollars on the Travel Expense Claim.		
		Travel	9/17/12 10/31/12	61	We recommend that approval be obtained, as required, when room rates exceed the maximum allowance.	Vice President of Finance and Administrative Services	The update to the travel procedures currently in process will include a section for obtaining approval of lodging that exceeds the GSA rate on the electronic request form to include.	OPEN	2/28/13
		Travel	9/17/12 10/31/12	62	We recommend a lodging section be incorporated into the travel request form. The lodging section should include an area for requesting approval of lodging at 300% or 175% of the GSA rate.	Vice President of Finance and Administrative Services	The update to the travel procedures currently in process will include a section for obtaining approval of lodging that exceeds the GSA rate on the electronic request form to include.	OPEN	2/28/13
		Travel	9/17/12 10/31/12	63	We recommend travel claims be reviewed with greater care and if incorrect, that the necessary corrections be made so employees are reimbursed the correct amount.	Vice President of Finance and Administrative Services	When the electronic Travel Expense Claim form is updated for changes in mileage reimbursement rates, the revision date on the form will also be updated. Travel Accounts Payable staff will verify that claim dates are consistent with the form's revision date.	OPEN	2/28/13
		Accounts Receivable	9/17/12 10/31/12	64	We recommend the TMCC Controller's Office work with System Computing Services in developing an accounts receivable report.	Vice President of Finance and Administrative Services	TMCC is currently developing an aged accounts receivable report.	OPEN	2/28/13
TMCC	Peoplesoft Security Audit	Security Administration – Roles and Permissions	1/25/2013 3/22/2013	65	We recommend that TMCC develop narrative descriptions for both roles and permission lists that provide information on the job functions supported, the data or pages they can access and the manner in which they are designed to access the data (display through correction).	Vice President of Finance and Administrative Services	<i>System-Level Coordinate Effort</i> As part of the Shared Instance, TMCC will coordinate its documentation efforts to complement the work being done by System Computing Services (SCS). SCS is developing a plan and timeline for a re-architecture of the Shared Instance security infrastructure. Chris Piekarz,	OPEN	6/6/2013

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							<p>Senior Security Analyst for SCS will have this plan done by May 1, 2013. If this rebuild plan is passed by the iNtegrate Shared Instance Advisory (iSIA) group, the rebuild will go forward. This rebuild will impact how TMCC will proceed with documenting roles and permission lists.</p> <p><i>TMCC Documentation</i> Narrative descriptions defining job functions for roles and permission lists, including data accessible under these constructs and level of access will be developed in the following manner:</p> <ul style="list-style-type: none"> • For roles and permission lists that TMCC does not expect to change as a result of the Shared Instance rebuild, TMCC has begun the documentation effort. This documentation will be completed within one year from the date of this response. • For roles and permission lists that will be rebuilt, TMCC will create the documentation for that role/permission 		

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							list within one month of its migration to production by System Computing Services.		
							Tommie Guy, Security Coordinator and Shanna Rahming, Business Analyst will lead and facilitate the efforts above in coordination with the functional leads from Financial Aid, Admissions, Student Records, Outreach, Student Financials and Advising.		
		Role and Permission List Usage and Design Philosophy	1/25/13 3/22/13	66	We recommend that TMCC evaluate the design of these components and begin a process of migrating roles and permission lists toward the design philosophy noted above. Since this will have an impact across the other institutions using the shared instance, this effort will need to be coordinated amongst those institutions..	Vice President of Finance and Administrative Services	<i>System-Level Rebuild</i> SCS is in the process of developing a re-architecture of the shared instance security infrastructure and an execution plan for that re-architecture. Chris Piekarz, Senior Security analyst for SCS, will have this plan done by May 1, 2013. Mr. Piekarz has shared his ideas for the new design philosophy with Grant Dintiman, NSHE Internal Auditor. Mr. Dintiman is in agreement with creating a plan around this philosophy. Since the rebuilding of the shared instance security infrastructure represents a significant commitment of resources, the plan will be reviewed by iSIA. If this rebuild plan is approved by iSIA, the rebuild effort will go forward. If iSIA does not approve the plan, all institutions of the Shared Instance will need to revisit how to comply with this audit	OPEN	6/6/2013

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							<p>finding. <i>TMCC Migration to the Shared Instance Design Philosophy</i> As the new roles and permission lists are developed by SCS, TMCC will assist in testing and developing narratives as described in audit item number one. This will be completed by Tommie Guy, Security Coordinator and Shanna Rahming, Business Analyst in cooperation with functional leads from Financial Aid, Admissions, Student Records, Outreach, Student Financials, and Advising. Migration to the Shared Instance design philosophy will be accomplished as follows:</p> <ul style="list-style-type: none"> • If it is found the new roles and permission lists meet our security needs, TMCC will replace our current security with that developed for the shared version. • Where it is found the shared version does not match our needs, TMCC will build new roles and permission lists that adhere to the shared instance design philosophy. <p>The exact time frame for this project will depend on SCS and shared instance resources and availability and is unknown at this point pending the completion of the execution plan and its review by the iSIA</p>		

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							group. As mentioned above, Chris Piekarz, Senior Security Analyst for SCS expects to have the execution plan completed by May 1, 2013.		
		Sensitive Data Access	1/25/13 3/22/13	67	We recommend that TMCC adjust these users as necessary and conduct regular reviews of user roles to ensure role assignments are correct. We also recommend that TMCC evaluate the notification process when employees change positions to ensure that the Security Coordinator is notified in a timely manner.	Vice President of Finance and Administrative Services	TMCC acknowledged the importance of timely removal of data access from individuals whose employment has been terminated or who have moved departments. As such, Tommie Guy, Security Coordinator has several process in place to identify these individuals. Additionally, TMCC is implementing new constructs to increase shared information across departments. TMCC is also pursuing reliable and timely data on employee departures and department moves by being active in the Request for Proposal efforts for a new Human Resources System.	OPEN	6/6/2013
		Sensitive Data Access	1/25/13 3/22/13	68	We recommend that TMCC evaluate users with access to unmasked SSN data and ensure that they have a job related need for such access. Further, we suggest that TMCC work with other institutions in the shared instance and consider masking birth year on the high use screens.	Vice President of Finance and Administrative Services	TMCC values the trust placed in us by our students, staff and alumni to protect Personally Identifiable Information (PII), especially SSN> We will honor that trust by restricting access to PII except in those cases where it is deemed necessary to serve our constituents. <i>The System Level Technology Solution</i> Masking of SSN is done at the system level. Currently, PeopleSoft's delivered masking mechanism is used on only two pages, RELATIONSHIPS and SCC_BIO_DEMO_PERS. Further masking of additional pages can only be accomplished by a modification. A modification is	OPEN	6/6/2013

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							<p>a technical term to describe programming changes at the system level. These typically require work by SCS and outside consultants. The delivered masking currently masks SSN only on the Search/Match page, with the default being to mask SSN for everyone on this page. To see an unmasked SSN, a person must be specifically provided with an additional role.</p> <p><i>TMCC Review of Unmasked SSN Access</i> Tommie Guy, Security Coordinator and Shanna Rahming, Business Analyst are evaluating users with access to unmasked Social Security Number data and examining whether there is a job-related need to see this information. There are a limited number of users who have a job-related need to see unmasked SSN. These users are in the Financial Aid department. TMCC will remove access from users it finds do not have a job-related need to have such access. All removals will be completed by December 2013.</p> <p>Masking Year in Date of Birth Chris Piekarz, SCS Senior Security Analyst has brought the issue of using the delivered masking mechanism for birth year on high use screens to the attention of Ginger Holladay-Houston, SCS Director of Information and Application Services. Consequently, SCS has applied the mask in the test database for the year portion of date of birth (DOB) on the Search/Match page.</p> <p><i>TMCC Review of Date of Birth</i></p>		

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							<p>Access Tommie Guy, Security Coordinator, and Shanna Rahming, Business Analyst, will work with the TMCC user base to determine the business effect of the new masking and will also evaluate who needs to see full DOB on the Search/Match page. Within a month of SCS applying the mask in production, TMCC will restrict full DOB access from those not found to have a job-related need.</p>		
TMCC	Special Course Fees	Special Course Fees	3/22/13 4/26/13	69	We recommend the discrepancies noted by reviewed by college personnel and that adjustments be made to the college list and/or the student information system, as necessary. In the future, we recommend greater care by taken to ensure Special Course Fees approved by the college are accurately recorded and assessed within the student information system.	Vice President of Finance and Administrative Services	<p>College staff have reviewed the noted discrepancies and made the appropriate adjustment to the college list and the student information system. In addition, the College revised its procedures in processing special course fees. The new process standardized the approval form for fee changes and their approval. This standardized form becomes the official input to the college's fee master list. The latter is then the only source of information for the PeopleSoft student account system. The Program Director of Accounting Services and his designees will be reviewing the entries to the student account system and will be comparing it with the master list. In preparation for the new system, the VP of Finance & Administration, in coordination with staff at each academic division and Accounting Services, reconciled all the existing lists of fees to create the Fee Master List. Plans are</p>	OPEN	6/6/2013

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		Special Course Fees	3/22/13 4/26/13	70	We recommend Special Course Fees be included in the class schedule so students are made aware of the fees that are due.	Vice President of Finance and Administrative Services	also underway to develop an automated workflow fee approval process that will result in the college's fee master list. With the implementation of PeopleSoft, new methods of inserting Special Course Fees into the class schedule were necessary. Those fees are now added to Class Notes by department administrative assistants, a process which resulted in omissions. The two actions being taken by TMCC are designed to address this problem. First, there will be one institutional Master List of Special Course Fees kept by the Accounting Services department against which the semester schedule can be cross checked. Secondly, TMCC is working with the PeopleSoft implementation teams to create a modification that will automate the insertion of the fee with each course	OPEN	6/6/2013
		Expenditures	3/22/13 4/26/13	71	We recommend the required travel documents be completed when field trips occur.	Vice President of Finance and Administrative Services	The Vice President of Academic Affairs is evaluating field trip procedures to identify appropriate procedures to accommodate field trip requirements. Field trips are class assignments, rather than employee travel, and requirements will be designed to meet those needs. Revised procedures for field trips will be communicated and the Deans will be charged with ensuring classes with field trips follow the revised procedures. (Posted by VPAA and it will be in the accounting manual link on the controller's site.)	OPEN	6/6/2013

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<u>CSN INTERNAL AUDIT REPORTS</u>									
CSN	Facilities Management	Policies and Procedures	7/20/12 9/8/12	72	We recommend that FM continue with its plan to develop written maintenance procedures that are at the same level of detail as existing for custodial and grounds, and to develop written procedures for conducting and reporting bench stock inventories.	Senior Vice President Finance and Administration	The College of Southern Nevada concurs with this recommendation and is creating written procedures for both maintenance and inventorying of bench stock. At present, approximately 75% of the required procedures have been developed; we anticipate that they will be finished and in place not later than the end of February 2013.	OPEN	2/28/13

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<u>WNC INTERNAL AUDIT REPORTS</u>									
WNC	Network Security	Policies, Procedures and Best Practices	4/20/10 1/6/11	73	We also recommend that WNC consider performing an IT risk assessment and developing a contingency plan.	Controller	WNC is working with other NSHE institutions (ISO Group) to produce a proposal for an IT Risk assessment that can be used by all institutions. We are in negotiations with CC Communications in Fallon to create an offsite Disaster Recovery site. Procedures have been written as an interim solution until these can be completed.	OPEN	5/31/12
		Security Incident Process	4/20/10 1/6/11	74	We recommend that WNC develop an IT security incident policy and procedure.	Controller	Security incident policy and procedures are in draft, and will be processed for institutional approval in July 2012.	OPEN	5/31/12
WNC	Hosting	Host Expenditure Review	3/29/13 5/3/13	75	We recommend that established host policies be followed.	Controller	The WNC Purchasing Policy has been amended to address this issue with the inclusion of the following revised sentence – <i>When hosting meals, personnel external to WNC such as advisory boards,....,and the WNC employee-to-guest ration should not exceed 3-to-1 without written justification.</i> The initial presentation to the WNC College Council of the amended policy will be on April 12 with final review and action scheduled for May 14. A copy of the approved policy will be provided to NSHE auditing staff at that time.	OPEN	6/6/2013
		Host Expenditure Review	3/29/13 5/3/13	76	We recommend the account be included on the authorized host account list.	Controller	The WNC Purchasing Policy has been amended to address this issue. The initial presentation to the WNC College Council of the amended policy will be on April 12 with final review and action scheduled for May 14. A copy	OPEN	6/6/2013

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							of the approved policy will be provided to NSHE auditing staff at that time.		

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<u>GBC INTERNAL AUDIT REPORTS</u>									
GBC	Student Housing	Telephone	6/28/12 1/28/13	77	We recommend the telephone review procedure be included in the college's policies and procedures and that GBC personnel be made aware of the correct process.	Controller	New procedures for telephone usage have been approved at the system level. GBC is working on revising our policies and procedures with the new NSHE ones. Expected completion and approval of these are December 2013.	OPEN	6/30/13
		Sensitive Equipment	6/28/12 1/28/13	78	We recommend these items be included on the sensitive equipment inventory report.	Controller	The work room for the maintenance staff in the student housing area has been relocated and organized. Supplies have been received to identify and mark the power tools as GBC property. This is expected to be completed by the end of August 2013.	OPEN	6/30/13
		Supply Inventory	6/28/12 1/28/13	79	For improved control, we recommend consideration be given for maintaining a perpetual inventory of supplies that are of significant value. This could be done by creating a log of the supplies and the corresponding quantity of each. Updates to the quantities recorded on the log would then need to be made as items are used and as additional supplies are purchased. Once implemented, we recommend the supply inventory be periodically test counted to determine whether the quantity of items on hand agrees with the quantity that is reflected on the log.	Controller	The supply room has been organized and counts of items have begun. Expected completion of initial counts and regular counts is expected to occur in August 2013.	OPEN	6/30/13
GBC	Network Security	Computer Testing	8/31/10 1/10/12	80	We recommend that GBC create a process to ensure that critical patches, antivirus software and system integrity software is installed and updated in a manner consistent with industry best practices.	Controller	Infrastructure is now in place and we are currently working on deployment patch management. Automatic updates are still in place until we get the patch management fully deployed.	OPEN	6/30/13

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		Firewall Testing	8/31/10 1/10/12	81	We recommend that GBC create written policies and procedures for the administration and configuration of the firewall.	Controller	This policy has been written and is waiting to be properly formatted and approved by GBC's President's Council.	OPEN	6/30/13
		Network Server Testing	8/31/10 1/10/12	82	We recommend that GBC utilize an appropriate security checklist when they configure the OES server to be in compliance with best practices.	Controller	GBC Computer Services Department has determined this recommendation to be a low priority. When assessing OES server security, the disposition of users and potential of outside threats is considered, in addition to the potential weaknesses of any services offered. Regarding the mitigation of potential weaknesses, specific guides from the software provider are referenced, including (but not limited to) the following: https://www.suse.com/documentation/sles11/book_hardening/data/book_hardening.html http://wiki.novell.com/index.php/SLES_10_Hardening The recommendations contained within these and similar documents are assessed against several criteria including, but not limited to: the needs of the users (faculty, staff, and students), and the specific conditions at the various campuses (environmental, and operational). Said recommendations are applied as is prudent for the services offered at a given location, and balanced against the needs of the users, importance of the data, and the necessity of the services provided.	OPEN	6/30/13
		Wireless Network Security	8/31/10 1/10/12	83	We recommend that GBC require authentication to use their	Controller	All SID's are now requiring passcodes and the public ones	OPEN	6/30/13

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					wireless network.		are changed often. Plans are being made to add a radius server for more secured access and authentication.		
		Policies, Procedures and Best Practice	8/31/10 1/10/12	84	We recommend that GBC update their policies and procedures to address the issues noted in items one and three, above.	Controller	Policies are still in the process of being reformatted. Beginning in September 2013 regular meetings will be held to work on this project, so that the draft policies can be moved forward for approval.	OPEN	6/30/13
		Policies, Procedures and Best Practice	8/31/10 1/10/12	85	We recommend that GBC consider performing an IT risk assessment and developing a contingency plan.	Controller	No progress has been made on this item due to other priorities and staffing levels.	OPEN	6/30/13
		Security Incident Process	8/31/10 1/10/12	86	We recommend that GBC develop an IT security incident policy and procedure.	Controller	Policies are still in the process of being drafted and formatted. Beginning in September 2013 regular meeting s will be held to work on this project, so that the draft policies can be moved forward for approval.	OPEN	6/30/13

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<u>UNR INTERNAL AUDIT REPORTS</u>									
UNR	Graduate School Human Resources	File Review	10/18/12 12/3/12	1	We recommend I-9 forms be completed and updated, as required.	Associate Vice President, Business and Finance	The departments have been reminded to complete an I-9 within three working days of a new employee's start date. One of the I-9's identified had an error on the start date on the I-9 form. The I-9 has been corrected. The employee responsible for Graduate Assistant I-9's was retrained on the process of re-verification for expired documents.	CLOSED	2/28/13
		File Review	10/18/12 12/3/12	2	We recommend the UNR Human Resources Department take greater care to ensure employment agreements, GIA forms, insurance addendum forms and other related documents are properly completed and signed. If errors or omissions are noted, we recommend the documents be returned to the appropriate department for correction.	Associate Vice President, Business and Finance	We have evaluated and revised procedures to streamline the process. A signature has been obtained on the GIA form not signed by the university representative (on October 17, 2012) and the department has been reminded of the requirement.	CLOSED	2/28/13
		Graduate Teaching Assistants	10/18/12 12/3/12	3	We recommend the UNR Human Resources Department and the hiring departments ensure the prerequisite teaching course is completed before GTAs begin work. We also recommend university policy be updated to include the occasions in which the course is not required to be taken.	Associate Vice President, Business and Finance	Two of the three registered for and completed Grad 701 the Fall 2012 semester. The third was no longer employed as a Graduate Assistant the Fall 2012 semester. Departments have been reminded that all GTA's must attend or be registered for Grad 701 to submit hiring paperwork. The University Administrative manual and the Graduate Assistantship Handbook have been updated to reflect which programs conduct an approved Grad 701 substitution program.	CLOSED	2/28/13
		International Graduate	10/18/12 12/3/12	4	We recommend the individual be requested to take the test. In the	Associate Vice President,	The individual missing the Speak Test is no longer a	CLOSED	2/28/13

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		Teaching Assistants			future, we recommend the required tests be taken before international GTAs are employed.	Business and Finance	Teaching Assistant. Should this student return to a Teaching Assistantship, they will be required to take the Speak Test.		
		Grant-in-Aid	10/18/12 12/3/12	5	We recommend the university's policies regarding this matter be updated to coincide with Board of Regents policy and the current practice that is followed at the institution.	Associate Vice President, Business and Finance	The University Administrative Policy has been updated to read, "GIA may be paid to graduate assistants and is customary except in those cases where a grant funding the position does not allow for tuition." This language has also been updated on the Human Resources website and in the Graduate Assistantship Handbook.	CLOSED	2/28/13
UNR	University Studies Abroad Consortium	Contracts	8/15/12 11/15/12	6	We recommend contracts be fully executed and signed in accordance with NSHE contract policy.	Associate Vice President, Business and Finance	We have instituted policies to ensure that all contracts are fully executed by all parties and compliant with contract policy.	CLOSED	2/28/13
		Contracts	8/15/12 11/15/12	7	We recommend that the Board of Regents be identified as the contracting party, as required by NSHE contract policy.	Associate Vice President, Business and Finance	We are reviewing all contracts to ensure the Board of Regents is identified as the contracting party	CLOSED	2/28/13
		Contracts	8/15/12 11/15/12	8	We recommend the agreement and others with the obsolete "Associate University" membership be updated to indicate the correct membership status.	Associate Vice President, Business and Finance	We have reviewed all membership contracts to ensure membership status is correct.	CLOSED	2/28/13
		Foreign Bank Accounts	8/15/12 11/15/12	9	We recommend an analysis of the foreign programs and associated bank accounts be performed to determine whether the level of funding that is maintained in the accounts is reasonable or whether it would be beneficial, from a cash management perspective, for a portion of the money to be returned to the	Associate Vice President, Business and Finance	We have instituted an analysis of the needs of each site prior to transferring funds to ensure the appropriate level of funding is maintained in the associated bank account.	CLOSED	2/28/13

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					university.				
		Cash Controls	8/15/12 11/15/12	10	We recommend the Cash Receipts Edit List be maintained and used to reconcile to the daily deposit.	Associate Vice President, Business and Finance	The daily deposit procedures have been updated to include maintenance and reconciliation of the daily deposit.	CLOSED	2/28/13
		Cash Controls	8/15/12 11/15/12	11	We recommend check and cash payments be properly secured.	Associate Vice President, Business and Finance	A large safe was purchased by USAC and is secured to the floor in the Accountant Technician II's office. The safe is locked, by digital code, at all times and the Accountant Technician II's office door is locked after business hours every day.	CLOSED	2/28/13
		Cash Controls	8/15/12 11/15/12	12	We recommend that sales records be provided to the Accounting Department, on at least a monthly basis, to support the receipts. We recommend the Accounting Department reconcile the sales documentation to the payments received.	Associate Vice President, Business and Finance	All payments and sales records for visa processing, passport pictures, clothing and other items are now provided to the Accounting Department on the day of receipt. A reminder was emailed out to all USAC Central Office staff on September 28, 2012. These payments are housed in the safe with any other cash or check transactions, reconciled and applied to the appropriate account on that same day prior to deposit through the UNR Cashier's Office.	CLOSED	2/28/13
		Cash Controls	8/15/12 11/15/12	13	We recommend the forms be updated to include this information.	Associate Vice President, Business and Finance	As of July 1, 2012, all forms regarding payments clearly state that all checks are to be made payable to the "Board of Regents".	CLOSED	2/28/13
		Cash Controls	8/15/12 11/15/12	14	We recommend deposits be made within the required timeframe.	Associate Vice President, Business and Finance	The USAC deposit procedures have been revised to require a daily deposit of all cash and checks.	CLOSED	2/28/13
		Expenditures	8/15/12	15	We recommend Independent	Associate Vice	The USAC Accounting	CLOSED	2/28/13

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			11/15/12		Contractor Agreement forms be reviewed and signed in a timely manner.	President, Business and Finance	department prepares and obtains signatures on the Independent Contractor Agreements and has been reminded that all forms need to be reviewed and signed by the approved signing authority prior to the start of the contract term.		
		Expenditures	8/15/12 11/15/12	16	We recommend purchase orders be completed, as required.	Associate Vice President, Business and Finance	We understand that all purchases over \$2,000 require a purchase order and all USAC departments have been reminded of this requirement.	CLOSED	2/28/13
		Expenditures	8/15/12 11/15/12	17	We recommend supporting documentation be provided to substantiate expenditures. If adequate documentation is not provided, we recommend the USAC Accounting Department request the responsible employees to provide the documentation.	Associate Vice President, Business and Finance	All USAC employees have been reminded that currency conversion documentation is required to substantiate expenditures.	CLOSED	2/28/13
		Expenditures	8/15/12 11/15/12	18	We recommend greater care be taken to ensure expenditures are charged correctly.	Associate Vice President, Business and Finance	The USAC Accounting department has been reminded to record all expenses to the correct expense category and seek assistance from the Accountant Technician II or Finance Officer if they are uncertain about which expense category to use in the transaction.	CLOSED	2/28/13
		Expenditures	8/15/12 11/15/12	19	We recommend currency conversion documentation be included with the travel claim.	Associate Vice President, Business and Finance	USAC now requires that all foreign travel claims include currency conversion documentation and be included with the travel claim prior to reimbursement.	CLOSED	2/28/13
		Student Timesheets	8/15/12 11/15/12	20	We recommend the department take greater care to ensure compliance with the student	Associate Vice President, Business and	The Finance Officer advised the students and management on September 27, 2012	CLOSED	2/28/13

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					employment policies. We recommend students be reminded of the student employment policies and that they be instructed to provide an explanation on their timesheet if they work during class time. We also recommend the employees noted in item three be compensated for the overtime worked.	Finance	regarding the policies of taking half hour breaks, working during class time (including documentation of reason) and an update of the policy that students are not to work more than 8 hours in a day. The two students that were not compensated for their overtime worked were identified and the UNR Payroll office has been notified of the student names and amounts so that compensation can occur.		
		Student Timesheets	8/15/12 11/15/12	21	We recommend USAC personnel take greater care when reviewing timesheets to ensure work hours are properly reported.	Associate Vice President, Business and Finance	All students and classified personnel have been reminded to fill out only one timesheet per pay period and not to submit multiple timesheets. The student paid twice is no longer working at the university.	CLOSED	2/28/13
		Telephones	8/15/12 11/15/12	22	As a best practice, we recommend that each user review their long distance telephone calls each month. Personal calls should be identified on the billing and reimbursed to the institution. After the above review has occurred, we recommend the billing be provided to a supervisor for final review and signature.	Associate Vice President, Business and Finance	The telephone long distance bill review policy was emailed to the entire USAC staff on September 28, 2012. The USAC Accounting Department now emails out the long distance phone bills monthly to all USAC employees, which began in November. Each employee is responsible for reviewing their own bill, sending an email to their direct supervisor for review/approval and providing reimbursement to USAC Accounting for any personal long distance calls.	CLOSED	2/28/13
		Telephones	8/15/12 11/15/12	23	We recommend student employees who are authorized to make long distance calls be issued separate PINs and that the PINs be cancelled when their	Associate Vice President, Business and Finance	Each USAC student has now been assigned their own discreet long distance PIN code. This code will be terminated upon the student's	CLOSED	2/28/13

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					employment is terminated.		departure from USAC. New PINs are now assigned to new students as they are hired.		
		Telephones	8/15/12 11/15/12	24	We recommend the department determine whether the lines are needed. If not, we recommend the UNR Campus Computing and Telecommunications Department be contacted to have the lines and related charges removed from USAC's telephone billing	Associate Vice President, Business and Finance	The three additional phone lines were removed by the Telecomm department and are no longer in use by USAC.	CLOSED	2/28/13
		Past Due Accounts	8/15/12 11/15/12	25	We recommend past due accounts be reviewed in a more timely manner.	Associate Vice President, Business and Finance	All past due accounts are reviewed quarterly by the Accountant Technician II for outstanding balances exceeding one year past active semester. At that time, these past due accounts are submitted to a collection agency for further collection processing.	CLOSED	2/28/13
		Financial Aid	8/15/12 11/15/12	26	We recommend scholarships, grants, and any other financial aid issued by USAC be reported to the UNR Student Financial Aid and Scholarship Office so the information is reported in the student information system.	Associate Vice President, Business and Finance	Prior to each education term, USAC now reports all scholarships recipients to the UNR Financial Aid and Scholarship office so that the information is reported in the student information system.	CLOSED	2/28/13
		Self-Supporting Accounts	8/15/12 11/15/12	27	We recommend self-supporting budgets be reported in accordance with Board of Regents policy.	Associate Vice President, Business and Finance	USAC now reports all self-supporting budgets in accordance with the Board of Regents policy for all accounts projected to exceed or subsequently exceed \$25,000 in voluntary transfers out.	CLOSED	2/28/13
		Leave Records	8/15/12 11/15/12	28	We recommend employees be reminded to complete leave request forms accurately and to sign and date the forms. We recommend employees on variable work schedules be	Associate Vice President, Business and Finance	All inaccurate leave records have been corrected. We are conforming to the University's leave policy and have distributed it to all staff which will reinforce the importance of	CLOSED	2/28/13

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					instructed that the amount of leave requested must be consistent with their daily work schedule. We also recommend the necessary corrections be made to the leave records.		completing leave forms accurately, including those on a variable work schedule.		
		Leave Records	8/15/12 11/15/12	29	We recommend annual leave request forms be submitted and approved before leave is taken.	Associate Vice President, Business and Finance	USAC reminded all employees via email on September 27, 2012 that leave requests need to be submitted and approved prior to the leave being taken.	CLOSED	2/28/13
		Leave Records	8/15/12 11/15/12	30	We recommend greater care be taken to ensure leave is accurately posted to the leave record. We recommend the necessary corrections be made to the leave records noted.	Associate Vice President, Business and Finance	All inaccurate leave records have been corrected.	CLOSED	2/28/13
		Leave Records	8/15/12 11/15/12	31	We recommend the employee's leave record be corrected as necessary. We recommend the department's leave keeper be reminded that the amount of family sick leave taken by professional employees should be reset on July 1.	Associate Vice President, Business and Finance	The employee leave record has been corrected	CLOSED	2/28/13
		Leave Records	8/15/12 11/15/12	32	We recommend the employee's leave record be corrected.	Associate Vice President, Business and Finance	The employee leave record has been corrected.	CLOSED	2/28/13
		Leave Records	8/15/12 11/15/12	33	We recommend furlough leave schedules be maintained with employees' leave records.	Associate Vice President, Business and Finance	Copies of all furlough leave records have been placed in the employee files.	CLOSED	2/28/13
		Student Records	8/15/12 11/15/12	34	We recommend transcripts be maintained in locked filing cabinets to ensure compliance with the Family Educational Rights and Privacy Act (FERPA).	Associate Vice President, Business and Finance	All student transcripts are now kept together in a locked file cabinet within the enrollment department. All USAC employees have been reminded of the Family Educational Rights and Privacy	CLOSED	2/28/13

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		Application Review	8/15/12 11/15/12	35	We recommend the access of terminated employees be removed. We recommend that the USAC Information Technology (IT) Department be notified in a timely manner when employees' access should be removed or updated. We also recommend the access of the employees noted be reevaluated.	Associate Vice President, Business and Finance	Act that all student records are to be maintained in locked filing cabinets for privacy compliance. All access has been removed for all terminated individuals. Access for the noted employees has been reevaluated and confirmed to have been removed.	CLOSED	2/28/13
UNR	School of Medicine Reorganization Plan	Accounting and Finance	3//22/12 1/24/13	36	To further promote consistency in the financial reporting process, we recommend that consideration be given, once again, for consolidating the financial systems. At a minimum, we recommend one chart of accounts be used by all of the practice corporations.	Associate Vice President, Business and Finance	This item is complete as of FY11 when all like accounts were mapped to the same parent account for each practice plan.	CLOSED	2/28/13
		Accounting and Finance	3//22/12 1/24/13	37	For improved reporting and financial analysis, we recommend that methods for extracting and integrating the financial data from the two systems continue to be explored.	Associate Vice President, Business and Finance	There is no further update. This item is complete until the Nevada System of Higher Education completes the roll out of the new financial system.	CLOSED	2/28/13
		Accounting and Finance	3//22/12 1/24/13	38	We recommend this matter be reviewed to determine whether there is still a desire for administration to have direct access to this information. If so, we recommend the employees to whom it would be provided be identified and that access to the databases or other resources be made available.	Associate Vice President, Business and Finance	University administration has been and is currently a member of the ICS Board and receiving regular financial reports and updates at those meetings, therefore the need to have on-line access is no longer needed. However, the Nevada System of Higher Education will roll out a financial system within the next three to four years. It is the	CLOSED	2/28/13

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							intent of the University of Nevada School of Medicine to incorporate the practice plan's financial system to be included in this initiative. When the new system is implemented, it will provide even more access to information to the administration.		
UNR	Hosting	Host Expenditure Review	3/8/2013 4/19/2013	39	We recommend host forms be completed in their entirety and that agendas be provided when only UNR employees are present at hosted events, as required.	Associate Vice President, Business and Finance	All departments involved in the above findings have been notified of the violations and were reminded of university policy in completing host forms and providing agendas when only university employees are present at hosted events.	CLOSED	6/6/2013
		Host Expenditure Review	3/8/2013 4/19/2013	40	We recommend employees be reminded that meal per diem should not be requested when hosted meals have been paid by the university.	Associate Vice President, Business and Finance	The employee was notified that the meal per diem must be refunded to the university.	CLOSED	6/6/2013
		Host Expenditure Review	3/8/2013 4/19/2013	41	We recommend employees be reminded that vendors should not be charging sales tax. If the payment of sales tax cannot be avoided at the time of purchase or is not noticed until a later date, the employee should request a credit from the vendor and provide an explanation on the supporting documentation.	Associate Vice President, Business and Finance	The purchasing card auditors reminded the departments to request a refund from the vendor and to provide documentation that the request was made.	CLOSED	6/6/2013

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		Host Expenditure Review	3/8/2013 4/19/2013	42	We recommend that the UNR Hosting Expense Documentation and Approval Form be revised to include a space in which an explanation can be provided when the meal limits are exceeded.	Associate Vice President, Business and Finance	We recognized the auditors' observation and recommendation regarding noting that prescribed meal allowances have been exceeded. The hosting form has been changed and uploaded to the Controller's Office website. It now contains a box to check if meal allowances have been exceeded and includes a space for an explanation.	CLOSED	6/6/2013
UNR	Associated Students of the University of Nevada	Cash Controls	1/18/2013 4/5/2013	43	We recommend the deposit form be revised to include two signature lines and that two employees prepare the deposit and sign the form attesting to the accuracy of the count. The employees' signatures should also signify that the amount deposited is in agreement with the receipts issued and the cash and check log.	Associate Vice President, Business and Finance	The deposit form has been changed to include two signatures. The process was adjusted to separate the deposit intake at the window and preparation of the deposit for the Cashier's Office. The amount of the deposit is now verified by two employees. A log has been created to document that the process takes place.	CLOSED	6/6/2013
		Cash Controls	1/18/2013 4/5/2013	44	We recommend receipts be entered on the log as they are collected.	Associate Vice President, Business and Finance	The ASUN Accounting office now enters receipts in the log as they are collected.	CLOSED	6/6/2013
		Cash Controls	1/18/2013 4/5/2013	45	We recommend that access to the safe be reviewed for reasonableness and that consideration be given for providing the combination to another faculty or staff employee in case other employees are not available to open the safe. We also recommend the combination be transmitted to employees in a secure manner and that consideration be given for maintaining a record noting when	Associate Vice President, Business and Finance	The combination to the safe has been changed. No student employees are allowed to have the safe combination. The combination to the safe is transmitted in a secure manner if necessary.	CLOSED	6/6/2013

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					the combination is changed, the reason for the change and to whom the combination has been distributed.				
		Cash Controls	1/18/2013 4/5/2013	46	We recommend the cabinet be kept locked except when it is necessary to access the cabinet.	Associate Vice President, Business and Finance	The cabinet is kept locked except when access to the cabinet is necessary.	CLOSED	6/6/2013
		Cash Controls	1/18/2013 4/5/2013	47	We recommend that deposits and expenditures be posted to the internal accounting application on a daily basis from the accounting records.	Associate Vice President, Business and Finance	The deposits and expenditures will now be posted to the specific club account in the university financial system on a daily basis.	CLOSED	6/6/2013
		Cash Controls	1/18/2013 4/5/2013	48	We recommend the account balances of student clubs and organizations be verified prior to the authorization of purchases. We recommend the Request for Service form be updated to include a space to record the club account balance. We also recommend that inquiry access to the accounting application be provided to employees who are responsible for providing final review and approval of the request forms.	Associate Vice President, Business and Finance	Account balances are now verified before the clubs are authorized to make purchases. Forms have been updated to include a space for the club balance. Inquiry access has been granted to each professional staff person who is responsible for authorizing the request to make a purchase.	CLOSED	6/6/2013
		Cash Controls	1/18/2013 4/5/2013	49	We recommend an adjustment to the club's account be made in the accounting application and that greater care be taken when posting revenue and expenditure transactions.	Associate Vice President, Business and Finance	The error was corrected. An adjustment was made to the accounting application and it now shows the correct balance. The administrative assistant has been reminded that all revenues and expenditures must be posted correctly.	CLOSED	6/6/2013
		Advertising Sales	1/18/2013 4/5/2013	50	We recommend greater care be taken to ensure payment records are complete.	Associate Vice President, Business and Finance	Records are now monitored on a weekly basis by the Assistant Director of Accounting to ensure supporting documentation is included.	CLOSED	6/6/2013

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		Advertising Sales	1/18/2013 4/5/2013	51	We recommend the file cabinet key be restricted to only those employees that need access to the filing cabinet.	Associate Vice President, Business and Finance	The file cabinet key is now restricted to those employees who need access. The Assistant Director of Accounting is the only administrator that can grant permission.	CLOSED	6/6/2013
		Advertising Sales	1/18/2013 4/5/2013	52	We recommend the department obtain a stamp to restrictively endorse checks when they are received.	Associate Vice President, Business and Finance	The department has obtained a stamp to restrictively endorse checks when they are received.	CLOSED	6/6/2013
		Advertising Sales	1/18/2013 4/5/2013	53	We recommend reconciliation be performed on a regular basis.	Associate Vice President, Business and Finance	Reconciliation of advertising receivables is now performed on a weekly basis by the Assistant Director of Accounting	CLOSED	6/6/2013
		Statutes of the Associated Students	1/18/2013 4/5/2013	54	We recommend the statutes be maintained and updated as required.	Associate Vice President, Business and Finance	The Statutes of the Associated Students have been updated and were uploaded to the ASUN website.	CLOSED	6/6/2013
		Budgeting Process	1/18/2013 4/5/2013	55	We recommend that the ASUN budget be prepared in accordance with the SAS.	Associate Vice President, Business and Finance	The President of ASUN was reminded to prepare all budgets in accordance with the SAS. Budget preparation by the President of ASUN takes place under the guidance of the Director of ASUN.	CLOSED	6/6/2013
		Association Meetings	1/18/2013 4/5/2013	56	We recommend that the minutes from ASUN meetings be prepared and available within 30 working days as required by the Nevada Open Meeting Law.	Associate Vice President, Business and Finance	Minutes for all meetings are now prepared and available within 30 working days to ensure compliance with Nevada Open Meeting Law. The legislative secretaries were reminded of the requirement to prepare and make available the minutes within 30 working days.	CLOSED	6/6/2013
		Association Meetings	1/18/2013 4/5/2013	57	We recommend that the ASUN follow NRS 241.020, section 6.03, which recommends that the person posting the agendas	Associate Vice President, Business and Finance	A certificate of posting has been created and agenda posting procedures have been modified. The ASUN officer	CLOSED	6/6/2013

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					complete a signed certificate stating the time and locations each agenda is posted. We recommend the certificate be retained with the meeting records as evidence the posting requirements were satisfied.		posting the agenda now signs a certificate stating the time and location each agenda was posted. The certificate is retained with meeting records as evidence the posting requirements were satisfied.		
		Fee Distribution	1/18/2013 4/5/2013	58	We recommend that ASUN management request the number of undergraduate enrollment credits from the Office of Planning, Budget and Analysis at the end of each semester. We recommend that the fees that distributed to ASUN be reconciled to the credits taken.	Associate Vice President, Business and Finance	The Director of ASUN will request the number of undergraduate enrollment credit hours from the Office of Planning, Budget and Analysis at the end of each semester. From this a reconciliation of the fees distributed against the credits taken will be completed.	CLOSED	6/6/2013
		Guest Speakers	1/18/2013 4/5/2013	59	We recommend the Guest Speaker Payment Request Form be completed and approved by the designated authorities prior to an event, as required by university policy.	Associate Vice President, Business and Finance	An email has been sent to the student leadership and staff reminding them of the university policy and procedure that Guest Speaker Payment Request Forms must be completed and approved by the designated authorities prior to an event.	CLOSED	6/6/2013
		Guest Speakers	1/18/2013 4/5/2013	60	We recommend event flyers for ASUN activities include the required information.	Associate Vice President, Business and Finance	Event flyers for ASUN activities containing the event topic, location and guest speaker name are now included with the request for speaker contract.	CLOSED	6/6/2013
		Guest Speakers	1/18/2013 4/5/2013	61	We recommend greater care be taken to ensure the correct amount is paid.	Associate Vice President, Business and Finance	The contract was reviewed and the difference was due to transposed numbers.	CLOSED	6/6/2013
		Expenditures	1/18/2013 4/5/2013	62	We recommend that purchase orders be completed in advance as required by NSHE purchasing guidelines.	Associate Vice President, Business and Finance	Purchase orders are now completed in advance as required by the NSHE purchasing guidelines. Staff and student leadership have been reminded that purchase	CLOSED	6/6/2013

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		Expenditures	1/18/2013 4/5/2013	63	We recommend that travel claims be filed as required.	Associate Vice President, Business and Finance	requisitions are submitted to BCN Purchasing to request a purchase order in advance. The staff and student leadership have been reminded to file claims as required.	CLOSED	6/6/2013
		Student Timesheets	1/18/2013 4/5/2013	64	We recommend the department take greater care to ensure timesheets are properly completed and work hours are accurate. We recommend students be reminded that, in accordance with the university's student employment policies, they are not to work during class time. If this does occur, we recommend students be instructed to provide an explanation on their timesheet.	Associate Vice President, Business and Finance	All staff have been reminded to complete timesheets as required and in a timely manner. Student employees have been reminded that they cannot work during class time. If this does occur, the student must place a note of explanation on their timesheet.	CLOSED	6/6/2013
		Leave Records	1/18/2013 4/5/2013	65	We recommend greater care be taken to ensure leave request forms are completed in a timely manner and are properly approved and maintained.	Associate Vice President, Business and Finance	The staff has been reminded to complete leave request forms in a timely manner. All errors have been corrected or adjusted.	CLOSED	6/6/2013
		Telephones	1/18/2013 4/5/2013	66	We recommend telephone bills be reviewed by a supervisor, as required.	Associate Vice President, Business and Finance	All telephone bills are now reviewed signed and dated on a monthly basis by the administrative faculty responsible for that area.	CLOSED	6/6/2013
		Telephones	1/18/2013 4/5/2013	67	We recommend ASUN determine whether the telephone lines are needed. We recommend the UNR Campus Computing and Telecommunications Department be requested to remove any lines that are not needed.	Associate Vice President, Business and Finance	An audit of all 63 telephone lines in ASUN was conducted. Twenty-one lines were terminated and the rest will continue to serve the ASUN employees.	CLOSED	6/6/2013
		Telephones	1/18/2013 4/5/2013	68	We recommend personal identification numbers be issued	Associate Vice President,	All long distance PINs for students have been deleted.	CLOSED	6/6/2013

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					to individual employees rather than to a position. We also recommend PINs be cancelled upon termination of employment and reissued as new employees are hired.	Business and Finance	Each student must now request a new PIN. PINs are deleted upon termination of employment.		
UNR	Differential Program and Special Course Fees	Special Course Fees Over \$50	2/4/2013 3/29/2013	69	We recommend the university's Special Course Fee list be updated to reflect the correct fee.	Associate Vice President, Business and Finance	The University's Special Course Fee list has been updated to reflect the correct course fee for Art 494.	CLOSED	6/6/2013
		Special Course Fees Over \$50	2/4/2013 3/29/2013	70	We recommend the university submit documentation to the System Administration Office to support the course change and request that the Procedures and Guidelines Manual be updated with the correct information.	Associate Vice President, Business and Finance	Documentation has been submitted to the System Administration Office identifying the course change and requesting the appropriate adjustment to the Procedures and Guidelines Manual.	CLOSED	6/6/2013
		Special Course Fees Over \$50	2/4/2013 3/29/2013	71	We recommend the university's Special Course Fee list be updated to reflect the correct Fee.	Associate Vice President, Business and Finance	The Special Course Fee list maintained by the University has been updated correcting the discrepancy with the Procedures and Guidelines Manual.	CLOSED	6/6/2013
		Special Course Fee Approval	2/4/2013 3/29/2013	72	We recommend the form be completed to properly document Special Course Fee requests and approvals.	Associate Vice President, Business and Finance	The finding relates to course fee requests relating to reconfiguration of the Simulation Laboratory in the Orvis School of Nursing. Extensive documentation for the fee in question was submitted to the Course Fee Committee; however, in this one instance a course fee request form was not completed. All requests for special course fees are required to include the Special Course Fee Request Form.	CLOSED	6/6/2013
		Inactive Accounts	2/4/2013 3/29/2013	73	We recommend the Special Course Fees associated with these accounts be reviewed to	Associate Vice President, Business and	Each of the course fees identified was reviewed and the fees were deemed to be	CLOSED	6/6/2013

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					determine whether the fees are still necessary and whether the accounts should be deactivated.	Finance	appropriate. In the first instance (1212-112-183A), testing packets are purchased on a two-year replacement cycle with revenues collected on an annual basis. The second account, Nursing Simulation Lab 1212-122-103G, fees were collected for a summer course but not transferred to UNSOM until after year-end close. The final account, (1212-150-523N), fees were collected for a field trip that was subsequently cancelled due to weather. The auditor noted that one account, (1212-112-183B) appeared to be inactive because there was no revenue or expense activity in Fiscal 2012. The course in question was not offered during Fiscal 2012 but is expected to be offered in the future. As a result of our review, none of these circumstances warranted modification or deactivation of the course fee.		
		Inactive Accounts	2/4/2013 3/29/2013	74	We recommend the accounts be deactivated in the financial accounting system and that the remaining funds available be transferred to an appropriate campus account.	Associate Vice President, Business and Finance	The five accounts identified in the audit have been deactivated in the financial system and the remaining funds transferred to an account maintained by the Provost.	CLOSED	6/6/2013
		Self –Supporting Budgets	2/4/13 3/29/13	75	We recommend self-supporting budgets be reported in accordance with Board policy.	Associate Vice President, Business and Finance	PBA staff monitor budget revisions for compliance with Board of Regents policy. Beginning Fiscal 2013 we have implemented a computer program that checks for revisions that meet the Board mandated reporting criteria. This program supplements	CLOSED	6/6/2013

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							analyst review at the time of processing.		
		Self –Supporting Budgets	2/4/13 3/29/13	76	We recommend this issue be reviewed by the Vice Chancellor of Finance and the institutional Business Officers and that a determination be made as to the types of transactions that should be included in reporting self-supporting budgets. Based on the outcome of the review, we recommend a revision to the system's self-supporting budget policy be developed that provides clarification and further guidance in this area. We recommend the language be submitted to the Board of Regents for approval and update of the policy in the Board of Regents Handbook.	Associate Vice President, Business and Finance	The Institutional Business Officers met in June 2013 to discuss the issue. It was decided that transfers would not be included as part of the \$25,000 expenditure total.	CLOSED	6/31/13
		Expenditures	2/4/2013 3/29/2013	77	We recommend employees be reminded that the university is exempt from paying Nevada sales tax. We recommend that if payment of Nevada sales tax cannot be avoided at the time a purchase is made or is not noticed until a later day, employees should request a credit from the vendor and provide an explanation on the supporting documentation.	Associate Vice President, Business and Finance	The departments involved have been notified of university policy regarding payment of sales tax and to request a refund from the vendor.	CLOSED	6/6/2013
		Expenditures	2/4/2013 3/29/2013	78	We recommend that blanket purchase orders be established when contracts for services are negotiated.	Associate Vice President, Business and Finance	The department has been instructed to prepare a blanket purchase order.	CLOSED	6/6/2013
		Expenditures	2/4/2013 3/29/2013	79	We recommend compliance with purchasing policies.	Associate Vice President, Business and Finance	The department has been notified of the violation and reminded that the purchasing card will be deactivated if any further violations occur.	CLOSED	6/6/2013

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		Expenditures	2/4/2013 3/29/2013	80	We recommend travel claims be filed, as required.	Associate Vice President, Business and Finance	The employee was informed of the university's travel claim policy and instructed to complete a travel claim.	CLOSED	6/6/2013
		Expenditures	2/4/2013 3/29/2013	81	We recommend team or group travel claims be filed, as required.	Associate Vice President, Business and Finance	The department has been instructed to follow travel claim policy and complete a travel claim.	CLOSED	6/6/2013
		Expenditures	2/4/2013 3/29/2013	82	We recommend the guest speaker form be completed in advance of the speaking event, as required.	Associate Vice President, Business and Finance	The department has been instructed to remind faculty of university policy for guest speakers.	CLOSED	6/6/2013
UNR	Business Center North Payroll Office	Payroll Files	1/29/2013 3/22/2013	83	For improved control over these records, we recommend consideration be given for obtaining lockable filing cabinets in which the files could be stored and secured during non-business hours.	Associate Vice President, Business and Finance	New locks were installed on all of the filing cabinets containing employee files as recommended.	CLOSED	6/6/2013
		Wage Attachments	1/29/2013 3/22/2013	84	We recommend the payroll office maintain a record as evidence that notification was provided. We recommend the record include the date, the name of the employee providing notification, and the manner in which notification was provided.	Associate Vice President, Business and Finance	As of October 1, 2012 a notation of the date, employee's initial and method of delivery is made on payroll's copy of the wage attachment by the payroll employee responsible for processing wage attachments. The notation is the date the employee's copy was sent to them.	CLOSED	6/6/2013
		Terminations	1/29/2013 3/22/2013	85	We recommend greater care be taken to ensure termination PAFs are signed by the proper authorities.	Associate Vice President, Business and Finance	The termination PAF was returned to the appropriate human resource department for proper signature and the replacement signed PAF was filed in the employee's file in payroll.	CLOSED	6/6/2013
		Leave Records	1/29/2013 3/22/2013	86	We recommend leave request forms be signed and dated as required.	Associate Vice President, Business and	The leave request form was signed and dated by the employee requesting the leave	CLOSED	6/6/2013

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		Expenditures	1/29/2013 3/22/2013	87	We recommend greater care be taken to ensure receipts are obtained and submitted to the Controller's Office with the purchasing card statement.	Finance Associate Vice President, Business and Finance	and is in the employee's leave file. All payroll staff has been counseled on the importance of obtaining and submitting receipts for all items obtained with the payroll purchasing card.	CLOSED	6/6/2013
UNR	Nevada State Public Health Laboratory – Follow-up	Prior Audit	9/2/10 5/6/11	88	We recommend the lab continue to work with the state health division in removing fees from the NAC. We also recommend the current fee structure be reviewed and that consideration be given for adjusting fees, as necessary, to help offset the loss in state funding.	Associate Vice President, Business and Finance	The Nevada State Board of Health approved the proposed regulation to repeal NAC 439.510-590, on December 14, 2012. The regulation became effective February 19, 2013. Codification of NAC is on hold during the Legislative Session and it is anticipated to be done by the end of the year, however, we are now free to set our own fees.	CLOSED	6/21/13
UNR	Nevada State Health Lab	Performance Measures	2/7/06 2/9/07	89	The Internal Audit Department recommends the following process be considered for determining efficiency. If the following process is not possible, we recommend the NSHL consider another process that would be more appropriate for their operation. We recommend the Lab calculate the number of man hours that are available for the year and on average how long it takes to perform each test. At year end, we recommend an analysis of the Lab's productivity be performed by examining the amount of time it took to complete the tests based on the volume of tests completed and the man hours available. This figure could then be compared to the average time calculated to perform each	Laboratory Director	The health lab has been working with Starlims to develop an automated capacity, productivity and proficiency report for regular monitoring and time period comparisons. We have defined how long it takes to do the testing on the clinical side. The program looks at the number of tests done to generate a report on workload capacity and workload per person. The Starlims programmer is currently making a few adjustments to the report on workload capacity and workload per person in a format that the lab would like to see. Currently a manual method has been developed where total	CLOSED	6/21/13

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					test. This process will also provide the NSHL an opportunity to determine how many tests it can handle before it reaches maximum capacity.		tests, test time and man hours available are used to calculate NSPHL efficiency. The manual method requires significant labor to obtain the test data for the calculations so it is not a real-time report. An automated efficiency report from the Starlims system will be "real-time" and thus more valuable.		

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<u>UNLV INTERNAL AUDIT REPORTS</u>									
UNLV	Food Services Management Agreement	Financial Commitments	11/14/12 12/20/12	90	We recommend these contribution shortages be carried forward on the spreadsheets that identify available catering credits and sustainability monies to be expended.	Associate Vice President, TMC/ICA Business Services, Auxilliary Financial Services and Audit	The carry-forward balances are now included on our spreadsheets. The current balances are \$16,636 for Campus Life Event Fund, \$186 for Presidential Catering Fund, \$15,869 for the Advancement Fund, and \$9,592 for Sustainability Initiatives fund.	CLOSED	2/28/13
		Utilities Participation	11/14/12 12/20/12	91	We recommend UNLV begin billing ARAMARK for their proportionate share of the utility costs.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	The total annual billing ~\$18,5000. Aramark has been billed for their proportionate share of utility costs.	CLOSED	2/28/13
		Vending Services	11/14/12 12/20/12	92	We recommend the vending services provider comply with the contract requirements to request approval of UNLV to replace, relocate or add vending machines.	Associate Vice President, TMC/ICA Business Services, Auxilliary Financial Services and Audit	A notification and approval process is now in place. First Class vending (Contractor) will notify UNLV Risk Management before any machine is replaced, relocated or added. This will insure UNLV is aware of all vending machines. A physical audit was completed in October 2012. All machines were verified. A physical inventory will be done on an annual basis.	CLOSED	2/28/13
		Vending Services	11/14/12 12/20/12	93	We also recommend that UNLV perform periodic audits to validate the accuracy and completeness of the vending commission report received.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	Detailed receipts were collected on all 131 machines and a spot check of sales per machine was completed. No material discrepancies were noted. In our opinion the controls in place are operating in a satisfactory manner.	CLOSED	2/28/13
		Commissions	11/14/12 12/20/12	94	We recommend the monthly revenue commission spreadsheet be adjusted for inclusion/exclusion of items identified above and UNLV	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services	The monthly revenue commission spreadsheet reflects all current food service operations and meal plan cost elements. It will be updated as	CLOSED	2/28/13

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					request a detailed sales report to support the sales and commissions received from Panda Express.	and Audit	changes are made. Additionally, a detailed sales report, which supports reported sales and commissions, is now received from Panda.		
		Commissions	11/14/12 12/20/12	95	We also recommend the contract be updated to reflect termination or addition of food service operations and the applicable commission rate for added operations.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	The University now documents all changes to food services operations through a Memorandum of Understanding with Aramark. These changes are mutually agreed upon by Aramark and the Executive Financial Officer, Office of the President.	CLOSED	2/28/13
		Capital Equipment Inventory	11/14/12 12/20/12	96	We recommend the contract list of capital property be reviewed for accuracy due to possible updates that may have occurred due to turnover of food operations, or equipment condition changes occurring since inception of the contract.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	Our inventory records have been updated to accurately reflect current inventory items. The three items identified were a soft-serve ice cream machine, a pizza oven, and a freezer. This area was refurbished by Aramark. This area contained a Burger King and Pizza Hut under the prior food service provider. It is now a Subway. The Pizza Oven and Freezer were disposed during the transition. The soft-serve ice cream machine was relocated to the Burger Studio in the Student Union.	CLOSED	2/28/13
UNLV	Consolidated Students of the University of Nevada, Las Vegas	NRS 241.000	10/10/12 11/14/12	97	We recommend the notice of meetings include proper notifications and the notice of meetings and meeting minutes be accessible as required by NRS 241.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	Nevada revised statutes requires a statement that the "Notices of Meetings" contain the statement "posted in compliance with NRS 241". CSUN is responsible for preparing agendas for committee meetings. Each position within CSUN is performed by students, and the students are directly responsible for the preparation and submission of each	CLOSED	2/28/13

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		Scholarship Awards	10/10/12 11/14/12	98	We recommend CSUN ensure applicants meet the minimum requirements and documentation as set forth in the bylaws.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	<p>agenda and meeting minutes. This information is contained in the CSUN Officer Training Program that is done at the beginning of each term. Current CSUN committee chairs have been reminded to add this statement to the "Notices of Meetings" and have been trained on all other requirements of NRS 241. All posting requirements are now included in the "Notice of Meetings".</p> <p>NRS 241 requires that the minutes from the public meetings be posted to the state entities website if one is maintained. CSUN has a website and is required to follow this requirement. The chairs have been reminded to submit their meeting minutes to the CSUN Creative Design director for placement on the SCUN website within the time frame required by NRS 241.</p> <p>Per the CSUN Business Manager, it is believed that the scholarships were awarded to students who met eligibility criteria, but the documentation supporting this was misplaced because there is a systemic problem with the process. The problem is that applications are accepted both online and on paper, which resulted in some confusion on the part of the committee and contributed to the missing documentation. The process has been changed to only accept applications online.</p>	CLOSED	2/28/13
		Scholarship	10/10/12	99	In the event that exceptions are	Associate Vice	\$3,000 was awarded for the fall	CLOSED	2/28/13

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		Awards	11/14/12		granted, we recommend the committee document the basis for granting the exception in the meeting minutes.	President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	2011 and spring 2012 semesters. Per the CSUN Business Manager, it is believed that the scholarships were awarded to students who met eligibility criteria, but the documentation supporting this was misplaced. A checklist has been prepared for each scholarship and all supporting documentation will be maintained in permanent files. Exceptions to the scholarship requirements will be formally documented in the permanent file. Exceptions will be reported to the VP for Student Affairs for review before the award is finalized.		
		Scholarship Awards	10/10/12 11/14/12	100	We recommend CSUN ensure the scholarship committee includes at least two UNLV faculty members to assist CSUN Senators with the review of eligibility requirements as set forth in the bylaws.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	Faculty member attendance had become inconsistent. The CSUN Scholarship Committee thought they could act without faculty members since there was not adequate participation. The CSUN Business Manager was under the impression that the CSUN Scholarship committee had the authority to modify their bylaw. The CSUN Business Manager now understands that the bylaw has to be formally changed by a vote of the Senate before it can be modified. Two Faculty members will be added to the CSUN Scholarship Committee when it convenes in April. The VP for Student Affairs has stated that one of those members will be Administrative Faculty Member with experience in financial aid. Future Scholarship Committees will include at least two faculty members as required by the	CLOSED	2/28/13

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		Expenditures	10/10/12 11/14/12	101	We recommend CSUN officers properly approve the transactions in accordance with BOR policies and the CSUN Constitution.	Associate Vice President, TMC/ICA Business Services, Auxilliary Financial Services and Audit	Bylaw. The CSUN Executive Board members, of that period, did not understand their authority. The CSUN Executive Board did not believe they had the right to veto expenditures authorized by the Senate. Therefore, they believed their signatures were not required. The CSUN Business Manager also thought the Senate had authority to authorize expenditures. She did not understand that NSHE policy requires two signatures of the Executive Board Members. The CSUN Business Manager has received clarification and will comply with NSHE policy. No expenditure will be approved in the future without approval of the CSUN Senate (where required) and the signatures of two Executive Board members.	CLOSED	2/28/13
		Purchasing Cards	10/10/12 11/14/12	102	We recommend employees be reminded to maintain receipts in compliance with the NSHE Procedures and Guidelines Manual and UNLV PCard policies and Procedures. In the event a receipt is lost, we recommend the employees complete a PCard Certification of Lost/Unavailable Transaction Documentation form.	Associate Vice President, TMC/ICA Business Services, Auxilliary Financial Services and Audit	The missing receipts were for student organized activities and office supplies. A certification of lost receipt has been prepared and approved for each of the missing receipts.	CLOSED	2/28/13
		Purchasing Cards	10/10/12 11/14/12	103	We recommend employees comply and ensure vendors are aware of UNLV's sales tax exempt status. In the event the sales taxes are charged, employees should request a credit/refund from the vendor, and provide an explanation on the	Associate Vice President, TMC/ICA Business Services, Auxilliary Financial Services and Audit	The transactions noted in the audit were for the time period of July 1, 2011 to June 30, 2012. Due to the length of time between the actual transactions and the audit, it is too late to request a refund. The total amount of the sale tax	CLOSED	2/28/13

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					supporting documentation.		paid in the 14 transactions was less than \$40.		
		Purchasing Cards	10/10/12 11/14/12	104	We recommend that the cardholder and supervisor be reminded that accurate completion of the month end reconciliation includes reviewing for existence of proper supporting documentation and exclusion of sales tax.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	Monthly reconciliations are now properly reviewed to include a review of supporting documentation.	CLOSED	2/28/13
		Hosting	10/10/12 11/14/12	105	We recommend the department properly complete a hosting approval form and obtain the signature of the Dean or higher authority individual.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	The CSUN Business Manager did not understand the existing UNLV policies and procedures. She thought that being approved by a Vice President to have a PCard to pay for hosting expenditures included delegation authority which allowed approval by the CSUN Business Manager. She did not know that hosting approval cannot be delegated below Dean. She now understands that the PCard is just a means to make a purchase and approval is required by someone at a Dean or higher level. CSUN now submits all host forms for approval by the Vice President of Student Affairs.	CLOSED	2/28/13
		Elections	10/10/12 11/14/12	106	We recommend maintenance service for the safe, and that the combination be changed annually, and immediately after an employee separates from the department.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	The safe was not fixable. A new safe has been identified and is located in the Business Office of Student Life, which is located within 50 feet of the CSUN offices. The Business Officer for Student Life will ensure the combination is changed annually and changed when employees that have access separate from service.	CLOSED	2/28/13
		Telephone	10/10/12	107	We recommend the department	Associate Vice	We have performed a complete	CLOSED	2/28/13

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			11/14/12		develop a process to ensure compliance with NSHE requirements for reviewing telephone charges.	President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	review of all telephone records going back to the beginning of the audit period. All telephone line charges, other than that of the Business Manager, are now reviewed on a monthly basis by the Business Manager. The records of the CSUN Business Manager are reviewed by her supervisor, the Director, Office of Civil Engagement and Diversity.		
UNLV	First Year Housing Exceptions	Compliance	11/14/12 12/20/12	108	We recommend campus staff be aware of the first year on-campus housing policy and that first year housing related questions be directed to HRL.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	We have issued a memorandum addressed to all campus departments reminding them of the need to provide accurate information to students. These reminders have been sent in the past. We will continue to send out reminders on a regular basis in the future. However, it is probable that a situation like this may occur in the future because of turnover of personnel. When cases like this present themselves, HRL considers all the facts and circumstances, as was done in these cases, and provides an exemption if the student, that was misinformed, is significantly burdened. We want to do what is in the best interest of the student.	CLOSED	2/28/13
UNLV	Residency Determinations	New Students	1/22/2013 3/12/2013	109	We recommend employees ensure residency applications are properly completed and supporting documents are properly reviewed in accordance with BOR Handbook Title 4, Chapter 15 policy to ensure consistency in residency status determinations.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	All staff members who process new and reclassification residency applications have been re-trained to ensure that they are aware of the necessity and significance of fully completing these documents. The documents are now fully completed prior to submission.	CLOSED	6/6/2013

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		Reclassification	1/22/2013 3/12/2013	110	We recommend employees be reminded to properly secure, maintain, and dispose of sensitive information to protect against credit card fraud and identity theft.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	Staff members have received additional training to ensure that they are fully aware of the retention & disposal processes of the documents. This includes training that only the information that is absolutely needed for the application be retained.	CLOSED	6/6/2013
		Appeals	1/22/2013 3/12/2013	111	We recommend the department obtain the required documentation prior to granting residency in accordance with the BOR Handbook.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	We now have a standardized system in place where any tentatively approved residency (as approved by the Appeals Committee) is placed in a single database. These students are sent appropriate reminders prior to the deadline for submitting supporting documents. Students who do not submit the additionally required paperwork by the specific deadline have their residency for that semester revoked.	CLOSED	6/6/2013
		Other-Residency Policies	1/22/2013 3/12/2013	112	We recommend NSHE System Administration review the policies to determine whether the minimum percentage of audited students is appropriate and reliable to ensure residency status.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	Title 4 Chapter 15, Section 10, address the uniformity of decisions in granting residency for tuition purposes and states the following: <i>The decision of an institution of the NSHE to grant resident student or nonresident student status to a person shall be honored at other System institutions, unless a person obtained resident student status under false pretenses or the facts existing at the time resident student status was granted have significantly changed.</i> The policy is clear that in cases where a person is thought to have been granted resident status under false pretenses or	CLOSED	6/6/2013

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		Other-Residency Policies	1/22/2013 3/12/2013	113	We recommend NSHE System Administration determine whether students living in residence halls qualify for reclassification of residency after 12 months of physical presence in Nevada and update the policy, if changes are warranted.	Associate Vice President, TMC/ICA Business Services, Auxiliary Financial Services and Audit	<p>have significantly changed circumstances, an institution may collect documentation from the student to support their residency status, regardless of whether originally submitted to the institution. The random audit of ten percent of the application population established in <i>Procedures and Guidelines</i>, Chapter 6, Section 16, is believed to be a reasonable percentage.</p> <p>Students living in resident halls are neither precluded by policy from applying for initial residency nor for residency reclassification. Title 4, Chapter 15, Sections 2.15 and 2.16 define the terms "residence" and "resident" and do not dictate which students are eligible to apply for residency or residency reclassification. By itself, location in a residence hall neither hurts nor helps a student's residency application. Rather, a student living in a residence hall must meet the burden of proof concerning bona fide residence and intent to remain in Nevada in order to be classified as a resident for tuition purposed.</p>	CLOSED	6/6/2013

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<u>NSHE INTERNAL AUDIT REPORTS</u>									
WICHE		Expenditures	11/8/12 12/10/12	114	We recommend receipts associated with employees' travel be submitted with the travel claim.	Vice Chancellor Finance and Administration	WICHE's as well as NSHE's account payable procedure requires attachment of all pertinent travel receipts to the travel claim form as verification of expense incurred for reimbursement. Further attention will be given to ensure all receipts accompany travel claim submissions.	CLOSED	2/28/13
		Leave Records	11/8/12 12/10/12	115	We recommend annual and compensatory leave be approved before it is taken.	Vice Chancellor Finance and Administration	WICHE's Personnel Procedure follows NRS284.180(10), which includes obtaining supervisory approval before annual or compensatory leave is taken. However, in some instances it is necessary to obtain verbal approval from the supervisor prior to leave being taken. Staff has confirmed from NSHE Administration that it is acceptable for the verbal approval to be noted in the system at the time the leave is entered into NSHE's iLeave electronic system. Procedure has been updated and put into practice.	CLOSED	2/28/13
		Leave Records	11/8/12 12/10/12	116	We recommend greater care be taken to ensure compensatory time is depleted before annual leave is used.	Vice Chancellor Finance and Administration	This recommendation has been added to the WICHE Personnel procedure and put into practice.	CLOSED	2/28/13
		Collections	11/8/12 12/10/12	117	We recommend a more secure method of transferring students' social security numbers and other sensitive information be utilized.	Vice Chancellor Finance and Administration	This recommendation has been added to the WICHE procedure and put into practice.	CLOSED	2/28/13
		Policy Review	11/8/12 12/10/12	118	We recommend a review of this area be performed by the commission on an annual basis.	Vice Chancellor Finance and Administration	A review by the Commission will be put into practice on an annual basis	CLOSED	2/28/13

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<u>NSC INTERNAL AUDIT REPORTS</u>									
NSC	Bookstore Operations	Contracts	8/28/12 10/1/12	119	We recommend the contracts be updated to include the language required by the Board of Regents and NSHE.	Senior Vice President for Finance and Administration	NSC has reviewed the three contracts issued several years ago to Nebraska Book Company. The vendor was contacted, and addenda for the three contracts were developed to include the required contract language. These addenda were reviewed and approved by the Senior Vice President for Finance and Administration and System Legal Counsel on November 1, 2012.	CLOSED	2/28/13
		Cash Controls	8/28/12 10/1/12	120	We recommend the combination be changed annually, and immediately after an employee separates from the department.	Senior Vice President for Finance and Administration	The safe combination was updated on November 26, 2012. Previously, the Bookstore utilized an electronic-based system which allowed a unique identification number to be issued to appropriate employees which was revoked upon termination of any employee. The new safe has a traditional tumbler combination mechanism which is much more reliable but does not have the electronic capability to bar access.	CLOSED	2/28/13
		Leave Records	8/28/12 10/1/12	121	We recommend leave requests be completed by the employee and approved by a supervisor in advance. We also recommend the leave request forms be completed upon the employee's return to work. In addition, we recommend ensuring leave forms are properly completed. Discrepancies between the leave forms and documentation provided by payroll should be addressed.	Senior Vice President for Finance and Administration	NSC reviewed with the staff, that if pre-scheduled leave has been discussed or approved by email and placed on the schedule, then leave forms should be completed at that time. Forms for unscheduled leave, such as sick leave, should be completed according to the standard procedure of the institution. No actual leave was taken without approval, but the process for documenting approval was not streamlined	CLOSED	2/28/13

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		Access to Administrative and Computer Applications	8/28/12 10/1/12	122	We recommend that NSC research these users and correct their entry as necessary. Also, we recommend the process used to notify of personnel changes in departments be evaluated to ensure that personnel changes are properly disseminated.	Senior Vice President for Finance and Administration	to sync up email, posted schedules and official forms. Emails are now attached to leave forms where needed to document that prior approval was granted. Additionally the comment line on the leave form will be used to document when annual leave is taken without prior approval due to unforeseen circumstances, such as car problems. Due to overlapping leave of staff in a small department, an additional full –time employee was granting permission to sign leave forms in the Director’s absence when appropriate. The correction was made immediately upon notification by the auditor by reconciling a current employee list against the auditor’s list. The Human Resources Department and the Office of Information Technology were also brought into the discussion to help develop a more appropriate and timely process whereby employee records are maintained.	CLOSED	2/28/13
NSC	Differential Program and Special Course Fees	Expenditures	11/6/12 12/15/12	123	We recommend the Differential Program Fees be expended during the same academic periods or year they were collected, in order to benefit the students who paid the fees.	Senior Vice President for Finance and Administration	Normally, such fees will be expended during the year in which they are collected, and that will be the case going forward. In this instance, the Differential Program Fees are being utilized to establish one or two additional full-time Nursing Instructors. For the first year, there was insufficient revenue to pay salaries and benefits, and the funds were accumulated in order to be able to hire an Instructor in the next	CLOSED	2/28/13

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		Expenditures	11/6/12 12/15/12	124	We recommend the Special Course Fees be expended during the same academic periods or year they were collected, in order to benefit the students who paid the fees. Expenditures should be reasonably proportionate to the fee amounts collected, avoiding the accumulation of excessive account balances.	Senior Vice President for Finance and Administration	academic year. Additionally, the search process for an Instructor takes a significant period of time to complete. As enrollments increase and revenues are greater a second position will be funded. Academic departments have been notified of the need to expend fee revenue in a manner that benefits the students who paid the fees. A significant number of staff changes over the past two years contributed to this issue as individuals were reassigned to new positions and, in some cases, were handling two roles. During this time, those individuals responsible for budgets were being overly conservative due to extreme financial conditions and external pressures.	CLOSED	2/28/13
NSC	Sponsored Projects Administration	Billing Management	1/25/2013 4/26/2013	125	We recommend incurred costs on project awards be invoiced/drawn on a timely basis, which would better support the institution's cash management efforts.	Senior Vice President for Finance and Administration	Billing management has now transitioned from the Controller's Office to the Office of Budgets and Sponsored Projects Administration. Invoices/draws are now completed by the 15 th of the month for the month prior	CLOSED	6/6/2013
		Indirect Costs	1/25/2013 4/26/2013	126	We recommend applicable indirect costs for awards be recorded in the financial records in a timely manner to facilitate timely billing or draw to recover these costs.	Senior Vice President for Finance and Administration	Previously, NSC set up grant accounts as fiscal year accounts and manually posted the indirect cost expenditures to the grants and the revenue to the recovery accounts. All grant accounts are now set up by the Office of Budgets and Sponsored Projects Administration. The accounts are set up multi-year (not fiscal year) accounts into the	CLOSED	6/6/2013

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		Accounting	1/25/2013 4/26/2013	127	We recommend consideration be given to utilizing the mechanized accounting functions available to compute indirect costs, which should aid in timely recording and billing of indirect costs.	Senior Vice President for Finance and Administration	ADVANTAGE Financial System, which has automated the posting of indirect cost expenditures to the grants and the revenue to the recovery accounts. The automated process posts these items with each month end closing. When invoices/draws are completed by the 15 th of the month for the month prior, the indirect costs are now current. Previously, NSC set up grant accounts as fiscal year accounts and manually posted the indirect cost expenditures to the grants and the revenue to the recovery accounts. All grant accounts are now set up by the Office of Budgets and Sponsored Projects Administration. The accounts are set up multi-year (not fiscal year) accounts into the ADVANTAGE Financial System, which has automated the posting of indirect cost expenditures to the grants and the revenue to the recovery accounts. The automated process posts these items with each month end closing. When invoices/draws are completed by the 15 th of the month for the month prior, the indirect costs are now current.	CLOSED	6/6/2013
		Award Records	1/25/2013 4/26/2013	128	We recommend that consideration be given to utilizing a database or a dedicated drive on the NSC server to facilitate centralized storage and timely retrieval through electronic means, which also supports physical safety of documents through routine backup processes.	Senior Vice President for Finance and Administration	The Office of Budgets and Sponsored Projects Administration is now the central repository for sponsored projects documentation. Electronic copies of all sponsored projects documents are maintained on the shared drive. The formal written policies and procedures	CLOSED	6/6/2013

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							under development include specific language with respect to the maintenance of award records. Sponsored projects training materials also are being developed which address the importance of proper record retention.		
NSC	Hosting Expense Review	Other	5/17/12 6/20/12	129	We recommend the topic of allowing spousal costs for attending hosting events be brought before the Business Officer Council for clarification on whether these costs are allowable.	Senior Vice President for Finance and Administration	The Vice Chancellor for Finance presented this exception to the Business Officers Council for review and clarification. It was determined by this group that the spousal hosting issue be left to the discretion of each institution's president on a case by case basis.	CLOSED	6/26/13
NSC	Network Security	Policies, Procedures and Best Practices	9/30/11 7/25/12	130	We recommend that NSC perform a risk assessment so that a contingency plan can be created.	Senior Vice President for Finance and Administration	A risk assessment has been conducted and a contingency plan developed. These items have been reviewed and accepted by System Computing Services.	CLOSED	6/26/13
		Policies, Procedures and Best Practices	9/30/11 7/25/12	131	We recommend that NSC develop and implement a security awareness training program.	Senior Vice President for Finance and Administration	A security awareness and training program has now been developed and implemented.	CLOSED	6/26/13
		Policies, Procedures and Best Practices	9/30/11 7/25/12	132	We recommend that NSC develop a written incident response procedure.	Senior Vice President for Finance and Administration	A comprehensive incident reporting and response policy has been established and implemented, and specific response procedures are now in place.	CLOSED	6/26/13

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<u>TMCC INTERNAL AUDIT REPORTS</u>									
TMCC	Controller's Office	Travel	9/17/12 10/31/12	133	When signature authority is delegated we recommend the notice be issued by the person whose signature authorization is being delegated.	Vice President of Finance and Administrative Services	College staff has been reminded that signature authority delegations must be issued by the person whose signature is being delegated.	CLOSED	2/28/13
		Student Employees	9/17/12 10/31/12	134	We recommend greater care be taken when timesheets are completed and reviewed to ensure work hours are accurate and the pay period is correctly recorded.	Vice President of Finance and Administrative Services	Greater care is taken when reviewing completed timesheets. Employee supervisors will compare payroll hours entered to Citrix with the timesheets for accuracy before submittal to Student Employee Coordinator and Payroll.	CLOSED	2/28/13
		Student Employees	9/17/12 10/31/12	135	We recommend timesheets be reviewed and signed by a supervisor.	Vice President of Finance and Administrative Services	Timesheets are now being closely reviewed and signed by a supervisor.	CLOSED	2/28/13
		Student Employees	9/17/12 10/31/12	136	We recommend students be reminded not to work during class. If this does occur, we recommend students be instructed to provide an explanation on their timesheet.	Vice President of Finance and Administrative Services	Students are reminded to not schedule work during class time while supervisors were instructed to ensure students are not scheduled during student's class schedule.	CLOSED	2/28/13
		Student Employees	9/17/12 10/31/12	137	We recommend the student employment manual be revised to reflect that overtime is paid when students work in excess of eight hours a day. We also recommend the employees be compensated for the overtime.	Vice President of Finance and Administrative Services	However, during the period of this audit, TMCC policy for overtime for students do not provide for overtime status over 8 hours rather only for the week or 40 hours. Student employment manual is now updated to include overtime pay when students work in excess of eight hours a day. Employees will be compensated for any prior overtime pay.	CLOSED	2/28/13
		Reference Manuals	9/17/12 10/31/12	138	We recommend reference manuals be completed for each	Vice President of Finance and	The Controller's Office went through a structural review	CLOSED	2/28/13

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					Controller's Office employee.	Administrative Services	creating the new Department of Budget and Finance. The structure resulted in staff changes and task changes. Part of the transition to the new department will be an update to the reference manuals.		
TMCC	PeopleSoft Security Audit	Role and Permission List Usage and Design Philosophy	1/25/2013 3/22/2013	139	We recommend that TMCC evaluate unassigned roles and permission lists to determine their need and eliminate any that are not necessary	Vice President of Finance and Administrative Services	Shanna Rahming, TMCC Business Analyst, has evaluated unassigned roles and permission lists as suggested by the auditor. Mrs. Rahming has removed unassigned roles and permission lists that have no further purpose for TMCC PeopleSoft security. This review and deletion of unnecessary roles will continue every four months with the next examination taking place in August 2013 by Shanna Rahming, Business Analyst and Tommie Guy, Security Coordinator.	CLOSED	6/6/2013
TMCC	Special Course Fees	Special Course Fee Approval	3/22/2013 4/26/2013	140	We recommend the Special Course Fees for these courses be reviewed and adjusted as necessary.	Vice President of Finance and Administrative Services	The required adjustments have been made to the student information system. With the new revised procedures, a standardized fee request form approved by the President will serve as the only official form to update the fee master list. The latter is then the only source of information to update the PeopleSoft student account system. In addition, the Program Director of Accounting Services will be reconciling the fee master list every semester with the PeopleSoft system.	CLOSED	6/6/2013
		Account Balances	3/22/2013 4/26/2013	141	We recommend the Special Course Fees associated with these accounts be reviewed to	Vice President of Finance and Administrative	These accounts have been reviewed by the Program Director of Accounting	CLOSED	6/6/2013

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					determine whether the fees are reasonable or need to be adjusted.	Services	Services. Two of the account balances decreased to \$5k and \$11k during Fall 2012 for planned expenditures in the fiscal period. In the meantime, the other nine accounts will be reviewed by the Academic Deans as charged by the Vice President of Academic Affairs to review these balances and ensure compliance with the Board of Regents policy. Any excessive balances will require a detailed justification or these fees will be subject to fee modification during the next approval process. The process for updating and implementing changes to Lab Fees has been revised to include an annual review for each fee account's expenditure plan and balances. Account balances could be set for at most 15% of fee revenues to allow for liquidity and fluctuations in fee collection and when expenditure are made. Other account balances are maintained for planned replacement. These justifications will be documented during the annual fee review.		
		Account Balances	3/22/2013 4/26/2013	142	We recommend a review of the accounts be performed to determine the reason for these transactions and that an adjusting entry be made to correct this situation in the financial accounting system. If there are no Special Course Fees associated with the accounts, we recommend the accounts be deactivated in the financial accounting system.	Vice President of Finance and Administrative Services	These are suspense accounts for recording and allocating bad debt expense and fee waivers to Special Course Fees. The expense was recorded but the allocation to the individual accounts was not performed. The accounts have been reviewed and adjusting entries have been made in the financial accounting system. To prevent this from occurring in the future, these accounts	CLOSED	6/6/2013

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		Inactive Accounts	3/22/2013 4/26/2013	143	We recommend the Special Course Fees associated with these accounts be reviewed to determine whether the fees are still necessary and whether the accounts should be deactivated.	Vice President of Finance and Administrative Services	will be reviewed quarterly by the Program Director of Accounting Services and the adjustments will be made to these accounts to ensure they are distributed appropriately to other accounts. These accounts have been reviewed by Accounting Services staff with the responsible managers. One of the accounts with revenue but no expenditure activity had a significant purchase of software in Fall 2012. The other had no activity due to open faculty positions and the temporary replacement faculty not purchasing materials. Full time faculty has been hired and expenditures are expected to increase. Three of the seven accounts with no activity are expected to have revenue and expenses going forward. Another three continue to have expenses, and the balance in the remaining account has been moved and the account deactivated.	CLOSED	6/6/2013
		Expenditures	3/22/2013 4/26/2013	144	We recommend employees involved in the purchase or approval of Special Course Fee expenditures be reminded that only extraordinary expenses directly associated with the courses are allowed to be purchased.	Vice President of Finance and Administrative Services	The five transactions each include purchases for several items (from 2 to 39 items with unit prices between \$2.19 and \$89.42). The purchaser made the determination that the procurements were items that could be legitimately charged to a lab fee account. However, the receipts do not always provide enough information for an outside reviewer to determine that the purchase qualifies under lab fee restrictions (extraordinary	CLOSED	6/6/2013

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							expenses), as opposed to general supplies. Academic Deans and Chairs have been notified of the five items and the distinction between extraordinary lab fee expenses and general expenses. To clarify the issue, we have added specific instructions to our annual training workshop (April 2013) for self-supporting budgets, which include lab fees. We have updated our self-supporting instructions for preparing self-supporting budgets on the TMCC Budget & Planning web site. We included guidance on the items that can, or cannot be applied to lab fees. We ask departments to review their receipts for clarity, and add an explanatory memo when the receipt may not provide enough specific information for an outside person to make the appropriate determination. The Budge & Planning department provides training workshops (4-6 times per year) on how to review and research financial transactions in Financial Data Warehouse.		
		Expenditures	3/22/2013 4/26/2013	145	We recommend employees be reminded that the college is exempt from paying Nevada sales tax. We also recommend that if payment of Nevada sales tax cannot be avoided at the time a purchase is made or is not noticed until a later date, employees should request a credit from the vendor and provide an explanation on the supporting documentation.	Vice President of Finance and Administrative Services	The transaction in question included \$8.63 in Nevada sales tax. The employee used a TMCC procurement card (credit card) to purchase items from the vendor without requesting the purchase be exempt from sales tax. The employee has been reminded that TMCC is exempt from paying Nevada sales tax, and it is critical that we must request that the vendor exclude the tax	CLOSED	6/6/2013

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							<p>from any transactions. When P-Cards are distributed to employees, we include a reminder that states, in part: "Cardholder's Responsibilities: To ensure that State of Nevada sales tax is not charged." Additionally, we include a copy of a memo from the chief of the Nevada Department of Taxation citing the basis for sales tax exemption, NRS 372.325. When necessary, this memo can be provided to the vendor as justification for the tax exemption request. As evidenced by this audit, these procedures are not always effective.</p> <p>To assure compliance, we have added additional procedures. During Q4 2012, the TMCC Budget & Planning department has instituted regularly scheduled training workshops for the P-Card that includes sales tax exemption training. As of the date of this response, eight workshops have been conducted. We will continue to provide these workshops. Before receiving a new or replacement P-Card, any employee that has had a purchasing violation will be required to attend the P-Card workshop before receiving their new P-Card. Also, the accounting assistant that processes P-Card transactions in the Budget & Planning department has been instructed to review each P-Card to determine if Nevada sales tax has been paid. If it has, the employee that made the transaction will be asked to</p>		

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		Expenditures	3/22/2013 4/26/2013	146	We recommend itemized receipts be provided to support expenditures.	Vice President of Finance and Administrative Services	<p>contact the vendor requesting reimbursement, and provide a memo to the Budget & Planning office detailing their efforts and the vendor's response. Repeat violations will be directed to the employees Dean/Director/VP in an attempt to improve compliance. The accounting assistant's supervisor will periodically review reports from the P-Card system to monitor compliance.</p> <p>One of the transactions was paid for through an online, third party payment process. The receipt received from the third party listed the cost and vendor name, but did not include a detailed description of the item(s) purchased. The employee that made the transaction has been asked to provide a detailed vendor receipt when using a third party payment process. If that is not possible, we ask departments not to use the third party payment process, and pay the vendor directly or use other vendors. Alternatively, the employee may submit a detailed memo describing the procurement, including the items purchased, which will require supervisor approval. The second transaction was a purchase of seventeen online access accounts for students. The receipt from the vendor listed the amount and item purchased. The description of the items purchased was correct, but possibly not detailed enough to fully</p>	CLOSED	6/6/2013

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							<p>describe the items to someone not familiar with the academic department. The department has been requested to provide detailed descriptions of items purchased if the receipt does not give a description that is clear to an outside party. Both of these transactions were paid for with the TMCC procurement card. During Q42012, the TMCC Budget & Planning department has instituted regularly scheduled training workshops for the P-Card. Part of this training emphasized the need for clear, detailed descriptions of the items being purchased. As of the date of this response, eight workshops have been conducted. We will continue to provide these workshops. During Q32012, the Budget & Planning department was reorganized to allow employees to focus on more narrowly defined areas, including the functions of the P-Card, travel, procurement, and accounts payable. The accounting assistant responsible for P-Cards has instituted review procedures designed to identify errors and omissions on completed transactions, and follow up with departments to notify them of the concern and request corrections and compliance for future transactions. As mentioned in item 2, TMCC has instituted regular trainings on purchasing card procedures and includes reminders that itemized receipts must be included as supporting</p>		

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		Expenditures	3/22/2013 4/26/2013	147	We recommend expenditures be properly approved.	Vice President of Finance and Administrative Services	<p>documentation. Departments failing to follow these procedures are contacted to correct the problem or document the cause of the problem. As mentioned above, reorganization of department and bi-monthly report monitoring will support the prevention and monitoring process.</p> <p>The transaction was approved by the accounting assistant in the academic department, who is not listed as an authorized person to sign documents for this account. The transaction should have been authorized by one of the three managers listed as authorized persons in Advantage. The employee and the employee's supervisor have been reminded of the necessity of the correct authorization. During Q32012, the Budget & Planning department was reorganized to allow employees to focus on more narrowly defined areas, such as accounts payable. The accounting assistant responsible for accounts payable has been directed to verify that required approvals are included with each request for payment. When documents are not signed by authorized signer, the department is contacted to identify the problem and implement the necessary solution (either signed appropriately or submit an Account Master Input Form to update those authorized to sign).</p>		

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		Statement of Revenues and Expenditures	3/22/2013 4/26/2013	148	We recommend that only the revenue received from Special Course Fees be posted to the accounts so that the activity and associated balances within the accounts can be effectively monitored by the college.	Vice President of Finance and Administrative Services	The entries in question should have been recorded in the self-supported accounts. The Program Director of Accounting Services has informed the managers of these accounts, the Cashiers, and the Cashier Supervisor that only Special Course Fee revenue is to be posted to Special Course Fee accounts.	CLOSED	6/6/2013

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<u>CSN INTERNAL AUDIT REPORTS</u>									
CSN	Facilities Management	Contracts	7/20/12 9/8/12	149	We recommend the contract be reviewed to ensure it meets Board of Regents and NSHE contracting guidelines.	Senior Vice President Finance and Administration	The contract in question had been entered into in prior years. During the intervening period, the NSHE contract language specifications changed. This contract had been overlooked as one that required a review of the indemnity clause and modification of language to bring it into compliance with the NSHE guidelines. Once CSN Purchasing had been notified of the deficiency, a new contract that included all related NSHE language was prepared and executed. This recommendation has been completed.	CLOSED	2/28/13
		Equipment Inventory	7/20/12 9/8/12	150	We recommend a property movement form be completed to request removal of the one missing equipment item from the department's equipment inventory records, equipment item locations be updated in FDW for the 12 items noted above, and for the department to contact the Inventory Control Department to request replacement of the deteriorated property tags. We also recommend considering implementation of an equipment checkout list to support current tracking of this equipment, much of which is mobile, thus avoiding having to complete property movement forms for the frequent location changes that occur.	Senior Vice President Finance and Administration	CSN has taken corrective action to resolve the issues. To update the records, a property movement form was completed to remove the missing equipment from the inventory. The locations of the 12 items that were referenced in the recommendation were corrected in the fixed asset system which is subsequently uploaded to the Financial Data Warehouse records. In addition, the Asset Control Manager replaced all property tags that had deteriorated due to weathering, positioning them in such a way as to reduce exposure to the elements. Extra care was utilized to more securely affix the property tags to the equipment. The department reviewed the	CLOSED	2/28/13

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		Equipment Inventory	7/20/12 9/8/12	151	We recommend the department contact the Fixed Asset Manager to request property control tags be affixed.	Senior Vice President Finance and Administration	recommendation to use an equipment checkout list to track equipment that moves frequently. The department determined that the existing procedure is appropriate and employees have been instructed to prepare and submit property movement forms consistently, timely and completely, each and every time a piece of equipment is moved. The Fixed Asset Manager has affixed property control tags to the five equipment items noted in the recommendation. As mentioned in the previous response, the property tags were positioned in such a way as to reduce their exposure to weather, and extra care was utilized to more securely affix the property tags to the equipment. This recommendation has been completed.	CLOSED	2/28/13
		Telephone	7/20/12 9/8/12	152	We recommend that a supervisor's signature and date be present for the review of telephone charges in accordance with the NSHE Procedures and Guidelines Manual.	Senior Vice President Finance and Administration	Consistent with <i>NSHE Procedures and Guidelines Manual, Chapter 4, Section 13, Internal Procedures for Telephone Charges</i> , the Facilities Management supervisors have been instructed to continue to review the telephone charges and are now required to sign and date the time of their review. This will ensure that the department is fully compliant with the NSHE Guidelines requirement. This recommendation has been completed.	CLOSED	2/28/13
		Work Order	7/20/12	153	We recommend the FM	Senior Vice	The College will evaluate the	CLOSED	2/28/13

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		System	9/8/12		department continue to evaluate and determine the most appropriate and beneficial features to implement for managing the work order system.	President Finance and Administration	features that are available within the TMA system and, as deemed necessary and appropriate by the institution, will implement them as needed.		

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<u>WNC INTERNAL AUDIT REPORTS</u>									
WNC	Controller's Office	Travel Claims	7/10/12 1/4/13	154	We recommend a signature delegation policy be developed for non-contract documents. We recommend the policy require delegations to be in writing and provided to employees who are at an appropriate level within the college. We also recommend the policy be include in the WNC Bylaws and Policy Manual.	Controller	This policy (WNC Policy and Procedures Manual - #1-1-3) was adopted by the WNC College Council on October 12, 2012 and no further action is needed.	CLOSED	2/28/13
		Account Set-Up	7/10/12 1/4/13	155	We recommend a new account/account revision request form be created for use by the college. We recommend the form be approved by the appropriate Dean or Vice President. We also recommend procedures be developed that address this area and that the procedures be included in the WNC Bylaws and Policy Manual.	Controller	The WNC College Council approved the policy (WNC Policies and Procedures Manual - #7-3-4) on October 12, 2012 and no further action is needed.	CLOSED	2/28/13
		Reference Manuals	7/10/12 1/4/13	156	We recommend reference manuals be completed for each Controller's Office employee.	Controller	As of December 31, 2012, the Controller's office personnel completed 33 desk reference manuals related to PeopleSoft and five (5) manuals related to cash balancing, accounts payable and purchasing. Additionally, the Controller's Office identified additional manuals to be completed in 2013. With the anticipated implementation of iNtegrate 2, this will be necessary as business office processes continued to evolve.	CLOSED	2/28/13
		Financial Holds	7/10/12 1/4/13	157	We recommend SCS continue to work on resolving this matter.	Controller	The software to implement the policy related to student non-	CLOSED	2/28/13

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							payment of fees across the System is operational across the shared instance of iNtegrate, which includes WNC.		
WNC	Grants and Contracts	Effort Reporting	3/23/12 1/4/13	158	We recommend each grant director be instructed of the requirements for completing PARs. We recommend PARs be brought up to date for all sponsored projects that are currently active.	Controller	Workshops have been provided to the appropriate members of the college community. The directors/principal investigators of all grants have been notified in writing of the need to complete PAR's within 30 days. No further action is needed.	CLOSED	2/28/13
		Grant Procedures	3/23/12 1/4/13	159	We recommend the grant procedures in the WNC Policy Manual be updated to address items one through four above.	Controller	The revised Grant Procedures were approved by the WNC College Council on December 4, 2012. No further action is needed.	CLOSED	2/28/13
		Training	3/23/12 1/4/13	160	We recommend consideration be given for providing training to employees.	Controller	Appropriate members of the WNC staff received grant administration training. This training will be updated as appropriate. No further action is needed.	CLOSED	2/28/13
WNC	Fallon Facilities Department	Telephones	2/3/09 10/23/09	161	We recommend WNC consult with their long distance carrier and other NSHE institutions to determine whether a billing system could be put in place that would allow for proper review of the telephone bills, as required.	Controller	Final approval was given to a new college policy related to this issue. Policy 7-4-4. This policy was approved after a successful trial period with the on-line verification of long distance calls.	CLOSED	5/20/13
WNC	Special Course Fees	Special Course Fees	4/5/2013 5/3/2013	162	We recommend the student information system be updated with the correct fee account. We recommend greater care be taken to ensure Special Course Fees	Controller	In the PeopleSoft application transition, a computer lab fee was inadvertently entered as both a computer lab fee and a special course fee. As a result,	CLOSED	6/6/2013

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					approved by the college are accurately recorded and assessed within the student information system.		students enrolled in the course for three (3) semesters were overcharged. When this issue was identified, the PeopleSoft application table was corrected and all students were credited with the over-charged amount. This occurred on 1/2/13.		
		Special Course Fees	4/5/2013 5/3/2013	163	We recommend the procedures for temporarily approving Special Course Fees be included in the WNC Policy Manual.		On December 4, 2012, the WNC College Council reviewed an amended Fee Approval Policy that included a section on the temporary approval (one year or less) of special course fees of \$50 or less. On February 12, 2013, College Council adopted the amended fee policy. A copy of the revised policy and the February 12, 2013 College Council meeting notes are attached to this audit.	CLOSED	6/6/2013
		Account Balances	4/5/2013 5/3/2013	164	We recommend the Special Course Fees associated with these accounts be reviewed to determine whether the fees are reasonable or need to be adjusted.		As part of the college's regular fee review process initiated in September of each year, the academic faculty determines the relevancy and accuracy of all special course fees. The following is the additional information related to the balances in excess of \$15,000 as of June 30, 2012: The accounts referenced are: 1. 9263-921-2210 (Computer Lab Use)- During the PeopleSoft implementation, seven individual special course fees were credited to this account in error. Since that transition, lab fee expenditures	CLOSED	6/6/2013

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							<p>for those courses were charged to the appropriate accounts without the revenue. Adjustments to revenue and deposit target accounts will be made to correct this error. In addition, four other small computer lab accounts were closed and their balances transferred to this account resulting in the current balance.</p> <p>2. 9263-989-0211 (General Nursing)- With the unanticipated departure of the Nursing lab coordinator three years ago, the department made only minimal expenditures during that fiscal year. During subsequent years, and with the appointment of a new coordinator, the department expended \$23,497 (YTD) in FY13 with another \$8,000 in expenditures anticipated prior to the end of the fiscal year. A similar</p>		

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							<p>expenditure pattern is anticipated for FY14.</p> <p>3. 9263-983-0401 (Physical Education)- Revenue in this account comes from several physical education classes. None of the balances for the individual classes approach the \$15,000 balance used by the audits as a trigger balance.</p> <p>4. 9263-980-1900 (Web Instruction)- Expenditures from this account have been very conservative with the college's efforts to move forward with two major electronic instructional initiatives- QualityMatters (on-line instruction) and Lecture Capture (recorded live instruction for internet availability). In support of these initiatives, costs such as mentoring, training for effective use of the technologies, and proctoring services will be provided from</p>		

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							these resources.		
		Inactive Accounts	4/5/2013 5/3/2013	165	We recommend the Special Course Fees associated with these accounts be reviewed to determine whether the fees are necessary and whether the accounts should be deactivated.	Controller	As previously noted in the WNC responses to audit items, the college's regular fee review process initiated in September of each year requires that the academic faculty determine the relevancy and accuracy of all special course fees. Subsequent to the initial discussion with the NSHE auditing staff regarding this issue, the relevant academic faculty reviewed the status of these three accounts and provided the following assessment of the account statuses: 1. Account with no revenue: a. 9263-985-0035 (General Business)- Account has been authorized for closure; will be part of the fall 2013 Special Course Fee review process. (Current balance-\$0.00) 2. Accounts with no activity: a. 9263-986-0241 (Woodworking)- Account has been authorized for closure; will be part of the fall 2013	CLOSED	6/6/2013

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							Special Course Fee review process (Current balance -\$0.00) b. 9263-983-0201 (Education)- Course has not been offered since spring 2011; academic division anticipates offering the course in spring 2014 and this account will be utilized at that time. (Current balance - \$1,064.72)		
		Self-Supporting Budgets	4/5/2013 5/3/2013	166	We recommend self-supporting budgets be reported in accordance with Board policy.	Controller	Based on prior year activity, a preliminary budget was created in the accounting system prior to the beginning of FY12 for the account with input requested from the academic division. The division responded at the beginning of July that there would not be the same level of activity and that the account would not need to be reported since the anticipated activity would not exceed the \$25,000 threshold. The budget officer neglected to adjust the originally created budget downward based on the feedback. The actual expenditures in FY12 were	CLOSED	6/6/2013

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		Expenditures	4/5/2013 5/3/2013	167	We recommend employees involved in the purchase or approval of Special Course Fee expenditures be reminded that only extraordinary expenses directly associated with the courses should be purchased.	Controller	approximately \$19,100, which would not have required the submission of a self-supporting budget. WNC verified that the three purchases were not lab specific and were more general in nature. We reviewed the issue with the academic division assistants, and reminded them that purchases made out of the lab accounts are to be used strictly for the lab and should be considered extraordinary. Any standard office supplies will need to be purchased with other accounts.	CLOSED	6/6/2013
		Expenditures	4/5/2013 5/3/2013	168	We recommend established purchasing policies be followed. We recommend the transaction limit on the purchasing card noted in item three be reduced to under \$2,000.	Controller	#2-In 2012, WNC misinterpreted Pro-Card limit information and subsequently raised the Pro-Card per transaction limits. When the college learned that our understanding was incorrect, immediate action returned all Pro-Card user monthly limits back down to \$2,000. This type of violation will not occur again and established purchasing policies will be followed. #3-WNC Finance and Administrative Services staff addressed this purchase of classroom textbook issue with the responsible academic division assistant and identified an appropriate method to complete such purchases. The issue will not reoccur.	CLOSED	6/6/2013
		Statement of Revenue and Expenditures	4/5/2013 5/3/2013	169	We recommend greater care be taken to ensure revenue is posted correctly.	Controller	This incorrect assignment of a revenue category is corrected (completed on 1/7/13). Greater care will be taken in the future	CLOSED	6/6/2013

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		Statement of Revenue and Expenditures	4/5/2013 5/3/2013	170	We recommend the amount of the encumbrance be included in the account balance.	Controller	to ensure that all revenue is posted correctly. Once identified, this encumbrance was cleared and included in the account balance. Correction completed on 1/7/13.	CLOSED	6/6/2013
		Statement of Revenue and Expenditures	4/5/2013 5/3/2013	171	We recommend a review of the accounts be performed and that the necessary adjustments be made to the accounts.	Controller	Due to an Advantage processing issue, these two balances did not roll forward into the subsequent year. A review of all accounts was completed and the only account balances not carried forward were these two. They were both corrected on 1/7/13, and the accurate balances were reflected in the accounts. Accounting staff are alerted to this item and will verify that all accounts roll forward in subsequent years.	CLOSED	6/6/2013
WNC	Hosting	Host Expenditure Review	3/29/2013 5/3/2013	172	As a best practice, we recommend itemized receipts be provided.	Controller	All authorized signers for host accounts have been notified in writing (copy attached) that detailed receipts for meals and other such expenditures are required for host expenditures. In addition, purchasing personnel responsible for processing host account authorizations and payment requests have been informed verbally and in writing that this is a policy requirement. Incomplete host account requests will be returned to the submitter.	CLOSED	6/6/2013
		Host Expenditure Review	3/29/2013 5/3/2013	173	To help ensure hosting activities are properly documented, we recommend host forms be completed. We recommend that employees be requested to	Controller	This expenditure relates to the purchase of 'bulk' water for college guests and others. As reviewed at the 4/1/13 President's staff meeting, all	CLOSED	6/6/2013

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					complete hosting forms if they are not initially completed and provided to the Controller's Office. We also recommend host transactions be charged to the proper expense category.		future expenditures of this type paid from host accounts will be authorized with the use of the appropriate host account authorization forms.		
		Host Expenditure Review	3/29/2013 5/3/2013	174	We recommend greater care be taken to ensure personal items are not paid by the college.	Controller	Business office personnel discussed the issue with the employee and he reimbursed the appropriate host account for the personal items previously charged to the host account. The Business office personnel responsible for processing these types of reimbursements have been reminded verbally and in writing that personal items cannot be reimbursed.	CLOSED	6/6/2013
		Host Expenditure Review	3/29/2013 5/3/2013	175	We recommend requisitions be completed and submitted to purchasing in advance of purchases as required.	Controller	A review of an email progression (available if requested) indicates that the original purchasing requisition was submitted in a timely manner. Unfortunately, an incorrect account number and authorized signatory was used and the forms were returned to the submitter for correction. The revised documents were submitted to the appropriate vice president's office, signed and forwarded to WNC Purchasing. By this time, the conference meal covered by the request had occurred and the authorization was late. The office of the vice president provided WNC Purchasing with an improper practice letter explaining the issue, and payment was made to the vendor. The office, which initiated the request, has been informed of the correct	CLOSED	6/6/2013

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		Host Expenditure Review	3/29/2013 5/3/2013	176	We recommend that only qualified expenditures be charged to the hosting expense category.	Controller	procedures and this issue will not reoccur. Business office personnel discussed this issue with the purchasing agent and the Specialty Crop Institute personnel. In the future, object code 40-06 will be used when purchasing food for events that are participant paid.	CLOSED	6/6/2013

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<u>GBC INTERNAL AUDIT REPORTS</u>									
GBC	Controller's Office	Accounts Receivable	8/29/12 4/24/13	177	We recommend accounts for which the college has not received payments for an extended period of time be turned over to a collection agency. We also recommend a policy be developed regarding past due accounts and the timeframe for forwarding accounts to collections. We recommend the policy be included in the GBC Policy and Procedure Manual.	Controller	A local collection agency was identified and an agreement was entered into for collection services on past due student accounts in excess of \$100. In addition to student accounts, the agreement will also cover collections for Housing and the Child Care Center. A draft policy was created and approved by President's Council on April 23, 2013 and has now been implemented. No further action is required.	CLOSED	6/6/13
		Accounts Receivable	8/29/12 4/24/13	178	We recommend consideration be given to updating the letters indicating the consequences for nonpayment of fees. We also recommend the letter address the impact to students when they are placed on hold and that accounts that are past due over a specified number of days will be sent to collections.	Controller	A draft policy addressing collection procedures was created and approved by President's Council on April 23, 2013 and has now been implemented. No further action is required.	CLOSED	6/6/13
		Daily Cash and Bank Reconciliation Reports	8/29/12 4/24/13	179	We recommend the Controller's Office work with System Computing Services (SCS) to obtain the information that is needed on the reports so that these tasks can be performed.	Controller	Cheri Harwell from SCS worked with the Controller's Office staff on queries from PeopleSoft and the problem with missing information from the reports has been resolved. No further action is required.	CLOSED	6/6/13
		Account Set-Up	8/29/12 4/24/13	180	We recommend a new account/account revision request form be created for use by the college. We recommend the form be approved by an appropriate authority, such as a Dean or Vice President. We also recommend procedures be developed that address the area and that the procedures be included in the	Controller	A new account/account revision request form has been created which additionally requires signature approval from a Dean or above level. Procedures were also created for completing the form and were approved by President's Council on April 23, 2013. (Attached) The policies and	CLOSED	6/6/13

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					GBC Policy and Procedures Manual.		procedures have been implemented. No further action is required.		
GBC	Student Housing	Expenditures	6/28/12 1/28/13	181	We recommend greater care be taken to ensure expenditures are charged correctly.	Controller	President Mark Curtis granted approval to allow the charge of hosting expenditures to the Student Housing Activities Account. A copy of the memo is attached. No further action is required.	CLOSED	2/28/13
		Contracts	6/28/12 1/28/13	182	We recommend greater care be taken to ensure agreements include the appropriate language and are signed by all parties, in accordance with NSHE policy.	Controller	The hold harmless clause was added to the contract and signatures from both parties were obtained. A copy of the signature page is attached. No further action is required.	CLOSED	2/28/13
		Contracts	6/28/12 1/28/13	183	We recommend a blanket purchase order be established each fiscal year through the Business Center North (BCN) Purchasing Department.	Controller	After the completion of the Frontier contract, a BPO was created to encumber the monthly phone/DSL charges incurred. No further action is required.	CLOSED	2/28/13
		Administrative Security	6/28/12 1/28/13	184	We recommend the college review the employee's access for appropriateness and that a determination be made as to whether the assigned functions should be provided in view rather than update mode.	Controller	The VPBA worked with SCS on security roles. Security for the Housing Coordinator has been tested in TST and moved to Production environment in December 2012. No further action is required.	CLOSED	2/28/13
		Employment Contract	6/28/12 1/28/13	185	We recommend the fair market value of the rent be included in the employee's salary so federal income tax is collected, as required. We recommend the Business Center North (BCN) Payroll Department be consulted regarding the specific manner in which rent should be reported within the payroll system.	Controller	GBC has reviewed this matter with John Albrecht, Legal Counsel and John Deotch, BCN payroll. It has been determined that the Housing Coordinator's salary and contract be reflected at 100% with no consideration of the housing, since this position is required to live on the premises and the position is making more than minimum wage. The FY2013 contract was prepared in this manner and so will future contracts.	CLOSED	6/30/13

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		Contracts	6/28/12 1/28/13	186	We recommend the agreements be reviewed for accuracy and that revisions be made, as necessary. Once completed, we recommend the agreements be signed by both parties. We also recommend payment be collected from the lessee as planned.	Controller	AHEC and GBC have entered into a new agreement which covers the amount in arrears of \$4,000. Copies of the signed agreements with AHEC are attached.	CLOSED	6/30/13
		Accounts Receivables	6/28/12 1/28/13	187	We recommend the accounts receivables report be reviewed after each semester so that timely collection decisions can be made.	Controller	The collection procedure was approved in April 2013 by GBC's President's Council. Student accounts receivables, including student housing receivables are being reviewed and sent on a quarterly basis to a 3 rd party collections agency.	CLOSED	6/30/13
		Accounts Receivables	6/28/12 1/28/13	188	We recommend the collection process for Student Housing be documented in the College's policies and procedures.	Controller	The collection procedure was approved in April 2013 by GBC's President's Council. Student accounts receivables, including student housing receivables are being reviewed and sent on a quarterly basis to a 3 rd party collections agency.	CLOSED	6/30/13
GBC	Network Security	Firewall Testing	8/31/10 1/10/12	189	We recommend that GBC establish a DMZ for those servers that require access from the Internet.	Controller	The DMZ has been created and the servers moved.	CLOSED	6/30/13