

Nevada System of Higher Education

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February 3, 2014

MEMORANDUM

TO: Mr. Ron Knecht, Chair
Ms. Allison Stephens, Vice Chair
Mr. Robert J. Blakely
Mr. Kevin C. Melcher
Mr. Jack Lund Schofield

FROM: ^{SA} Scott Anderson, Interim Director of Internal Audit

SUBJECT: Internal Audit Report
Audit Committee – February 28, 2014

The Internal Audit Department has completed the enclosed 10 audits and discussed the findings with the responsible administrators at the institutions involved. The institution's response to the audit findings is also enclosed. The Internal Audit reports must be read in their entirety so as not to arrive at any conclusions out of context; however, I have summarized the reports as follows:

1. Great Basin College
Student Accounts-PeopleSoft (Reference A-5)
Fall 2012 and Spring 2013

-One student tested was administratively dropped from courses for non-payment of fees. We noted tuition and fee charges were not removed from the student's account when the courses were dropped. We recommend that college personnel work with System Computing Services to resolve this problem to prevent it from recurring in the future.

Hours Budgeted: 200

Actual Hours: 211

2. University of Nevada, Las Vegas
Differential Program and Special Course Fees (Reference A-6)
March 1, 2012 through February 28, 2013

-Of 130 Special Course Fees reviewed over \$50, we noted four were established within the university's PeopleSoft fee tables that were not included in the Procedures and Guidelines Manual and three fees that were established in the fee tables at an amount that did not agree with the Procedures and Guidelines Manual. We also noted 14 Special Course Fees that were inactive and should be removed from the fee tables. We recommend UNLV submit documentation to the System Administration Office and the Board of Regents to support fee additions and changes and request that the Procedures and Guidelines Manual be updated with the correct information. We also recommend inactive fees be removed from the PeopleSoft fee tables.

-Of 658 Special Course Fees reviewed under \$50, some variances were noted between the fees established in the PeopleSoft fee tables and those included on the institution's master list of Special Course Fees. We recommend a comparison be performed between the master list and the fee tables and that the necessary revisions be made.

-We noted there is not a process for reevaluating previously approved Special Course Fees to determine whether the fees are still necessary and appropriate for continuation. We recommend Special Course Fees be periodically reviewed for this purpose.

-We noted some variances between the rates listed on the institution's internal list of Differential Program Fees and the PeopleSoft fee tables. We also noted some inactive courses that remained in the PeopleSoft fee tables. We recommend the internal list be compared to the fee tables and updated as necessary.

-We noted five Special Course Fee and five Differential Program Fee accounts with excessive balances totaling approximately \$989,000 and \$1.8 million, respectively, as of February 28, 2013. We also noted two Special Course Fee accounts that included at least 50 courses lumped into the accounts. This grouping methodology makes it difficult to identify which courses generated and expended the revenue. We recommend the Special Course Fees and Differential Program Fees associated with the excessive balance accounts be reviewed to determine whether the fees are reasonable or need to be adjusted. We also recommend the account structure be reviewed to determine whether another system could be used that would provide greater transparency of course fee activity for Special Course Fees.

Hours Budgeted: 300

Actual Hours: 380

Overage due to the extensive number of course fees to review and summarize in the Statement of Revenues and Expenditures.

3. University of Nevada, Las Vegas
Department of Police Services (Reference A-7)
July 1, 2012 through August 31, 2013

-Instances were noted in which department receipts were not deposited in a timely manner. We recommend the department institute procedures to ensure deposits are made timely and in accordance with university guidelines.

-We noted the room that is used to house the department's servers is not properly secured due to problems maintaining proper temperature control which requires the door to the room to remain open at all times. We also noted a daily back-up of server data is not being stored at an off-site location and that written Information Technology (IT) procedures have not been completed. We recommend the department explore solutions for maintaining proper temperature controls in the current server location or consider relocating the servers to other areas on campus. We recommend the department investigate the possibility of moving back-ups to an off-site location and complete IT procedures.

-We noted one department agreement did include the proper format and language and was not signed by a proper authority, as required by NSHE policy. We recommend the department work with the UNLV Purchasing Department to ensure contracts contain the proper information and signature authority.

Hours Budgeted: 300

Actual Hours: 309

4. University of Nevada, Las Vegas
Student Accounts-PeopleSoft (Reference A-8)
Fall 2012 and Spring 2013

-We noted emergency loans were granted to students in excess of the \$200 limit that is stated on the UNLV Financial Aid and Scholarships Office website. We also noted the loans were being made to both graduate and undergraduate students even though the qualification requirements state the loans are awarded to undergraduate students. We recommend the emergency loan information on the website be reviewed and updated to agree with institutional requirements for emergency loans.

Hours Budgeted: 400

Actual Hours: 350

5. Nevada State College
Nevada State Student Alliance (Reference A-9)
July 1, 2012 through June 30, 2013

-Funds collected by student clubs and organizations are delivered to the Student Alliance Office for deposit. We noted receipts are not being provided to the clubs and organizations when this occurs. We recommend a formal receipt be completed and provided to the club/organization when funds are delivered for deposit.

-We selected a sample of student government officers and reviewed meeting attendance, office hours, and GPA to determine compliance with the Student Alliance By-Laws. We noted the detailed "Office Hours" log containing the actual dates and times worked for each officer could not be located. We recommend the "Office Hours" log be properly maintained to support and verify officer work hours.

Hours Budgeted: 200

Actual Hours: 210

6. Truckee Meadows Community College
Student Accounts-PeopleSoft (Reference A-10)
Fall 2012 and Spring 2013

-On two occasions, financial aid refunds were issued to students that had dropped all of their courses and were no longer eligible for financial aid. This occurred due to the timing difference between the processing of refunds and the review of financial aid eligibility. We recommend the college develop a timelier method for identifying students that have no enrollment and for whom financial aid refunds should not be processed.

-One student tested was enrolled in a course that required the assessment of a Special Course Fee. We noted the fee was not assessed to the student and 12 other students enrolled in the course. We recommend that college personnel determine the reason the fee was not assessed so this issue does not recur in the future.

Hours Budgeted: 200

Actual Hours: 209

7. College of Southern Nevada
Student Accounts-PeopleSoft (Reference A-11)
Fall 2012 and Spring 2013

-No exceptions were noted.

Hours Budgeted: 300

Actual Hours: 165

8. College of Southern Nevada
PeopleSoft Security (Reference A-12)
May 1, 2013 through August 1, 2013

-Similar to issues noted with other institutions in the shared instance, there is a lack of adequate documentation regarding the job functions served and data affected by the various roles and permission lists that have been established. Further, the design of roles and permission lists does not follow best practice design criteria. We recommend that CSN work with System Computing Services and the other institutions within the shared instance to begin a process of migrating to a more modular, best practice design philosophy.

-We evaluated user access to 159 different pages that were deemed to contain sensitive data across the main functional areas of the PeopleSoft system. We noted 100 users with various types of invalid role assignments or excessive access rights. We recommend that CSN modify the role assignments of these employees and conduct regular reviews of user roles to ensure role assignments and authorization levels are appropriate.

-We evaluated user access to social security numbers (SSN) and date of birth data across the PeopleSoft system and noted that while the system masks the SSN on selected high use screens, there are many more screens that do not. We noted approximately 341 individuals with access to unmasked SSN data. We recommend that CSN evaluate users with access to unmasked SSN data and ensure they have a job related need to know this information.

Hours Budgeted: 300

Actual Hours: 240

9. College of Southern Nevada
Police Department (Reference A-13)
July 1, 2012 through September 30, 2013

-We noted the logbook used to record the receipt of evidence was missing required information. We also noted that annual unannounced inspections of evidence storage areas and the annual inventory of evidence, by a supervisor not directly connected with evidence control, were not performed as required. We recommend the evidence logbook be updated to include signature and description blocks. We also recommend the inspections and inventory be performed in accordance with department policy.

Hours Budgeted: 300

Actual Hours: 250

10. Western Nevada College
Student Accounts-PeopleSoft (Reference A-14)
Fall 2012 and Spring 2013

-Two students tested were assessed Western Undergraduate Exchange (WUE) tuition at 150% of the registration fee and student surcharge fee. According to the NSHE Budget and Finance Office, the student surcharge fee should not be included in the calculation. We recommend the college review the manner in which WUE tuition has been calculated since it was implemented in fiscal year 2011-12 and that refunds be issued to students that were incorrectly assessed.

Hours Budgeted: 200

Actual Hours: 202

Follow-up responses have been submitted for six internal audit reports presented to the Audit Committee at your meeting on August 30, 2013. The current status of the recommendations follows.

1. University of Nevada, Las Vegas
School of Dental Medicine Student Government Association (Reference A-2b)
July 1, 2011 through December 31, 2012

One recommendation was open when the audit report was presented to the Audit Committee. The recommendation has been implemented.

2. University of Nevada, Las Vegas
Parking and Transportation Services (Reference A-2c)
July 1, 2011 through December 31, 2012

All recommendations were closed when the audit report was presented to the Audit Committee.

3. Nevada State College
Student Accounts-PeopleSoft (Reference A-2d)
Fall 2012 and Spring 2013

One recommendation was open when the audit report was presented to the Audit Committee. The recommendation has been implemented.

4. Nevada State College
PeopleSoft Security (Reference A-2e)
February 1, 2013 through May 30, 2013

Five recommendations were open when the audit report was presented to the Audit Committee. The following recommendations are in the process of being implemented.

-We recommend that NSC work with System Computing Services (SCS) and their fellow institutions to develop narrative descriptions for both roles and permission lists. The narratives should 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.

-We recommend that NSC work with SCS and their fellow institutions to evaluate the design of these components and begin a process of migrating roles and permission lists toward the design philosophy recommended by PeopleSoft and published design criteria from authorities in the field.

5. College of Southern Nevada
Associated Students of the College of Southern Nevada (Reference A-2f)
July 1, 2011 through December 31, 2012

Two recommendations were open when the audit report was presented to the Audit Committee. The recommendations have been implemented.

6. College of Southern Nevada
Special Course Fees (Reference A-2g)
July 1, 2011 through December 31, 2012

Three recommendations were open when the audit report was presented to the Audit Committee. The following recommendation is in the process of being implemented.

-We recommend that CSN consider further segregation for some course topics into separate accounts to provide greater transparency of account and course activity as they relate to Special Course Fees.