

UNIVERSITY OF NEVADA, RENO
STUDENT ACCOUNTS-PEOPLESFT
Internal Audit Report
Fall 2012 and Spring 2013

GENERAL OVERVIEW

In recent years, institutions within the Nevada System of Higher Education (NSHE) have implemented a new student information system, PeopleSoft, as part of the first phase of the iNtegrate project. At the University of Nevada, Reno (UNR) the system was implemented beginning with the Fall 2011 semester. PeopleSoft includes a student accounts module, which allows students to access their account information through a self-service portal, MyNevada. This portal provides students, faculty, and staff with 24-hour online information and self-service capabilities. PeopleSoft allows students to check for important dates, access and update personal data, apply for financial aid, search for classes, register and pay for classes, and much more.

UNR is authorized in Title 4, Chapter 17 of the Board of Regents Handbook to charge Fees and Expenses to students. These applicable fees and tuition are identified in the NSHE Procedures and Guidelines Manual, Chapter 7.

At UNR, the Cashier's Office is primarily responsible for charging and collecting tuition and fees. Tuition and fees charged to student accounts for the Fall 2012 semester was approximately \$35 million.

SCOPE OF AUDIT

The Internal Audit Department has completed a review of student accounts within the university's PeopleSoft application for the Fall 2012 and Spring 2013 semesters.

Our review was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors, and included tests of the student

records contained within the application and other auditing procedures, as we considered necessary. The tests included, but were not necessarily limited to, these areas.

1. Testing student accounts to determine whether tuition and fees, and refunds, were accurately assessed and recorded.
2. Reviewing the procedures for updating the tuition and fee tables within the PeopleSoft application.
3. Reconciling student registration fees collected and distributed by the university and verifying the distribution complied with NSHE Procedures and Guidelines Manual, Chapter 7, Section 15.

In our opinion, we can be reasonably assured that the administration of fees and tuition processed within the PeopleSoft application is being performed in a satisfactory manner.

Implementation of the following recommendations, however, would further improve processes in this area.

STUDENT ACCOUNT TESTING

We generated reports of students enrolled in courses during the Fall 2012 and Spring 2013 semesters. From the reports a sample of 105 student accounts was selected for testing, 52 from the Fall 2012 semester and 53 from the Spring 2013 semester. We examined the students' accounts within the PeopleSoft application to determine whether tuition and fees were accurately assessed and recorded.

We also generated reports of students that had dropped courses or were dropped administratively by university personnel, within the PeopleSoft application. From the reports a sample of 84 student accounts was selected for testing, 42 from the Fall 2012 semester and 42 from the Spring 2013 semester. The intent of the review was to determine whether these

transactions were accurately recorded and in compliance with UNR's drop and/or refund policies. The following exceptions were noted.

1. One student was employed as a Graduate Research Assistant and received a Grant-In-Aid (GIA) for a portion of the registration fees. We noted the waiver of the Capital Improvement Fee, which is part of a GIA, was applied twice to the student's account. Upon further review, we were informed this error occurred for a total of 69 Graduate Research Assistant students and approximately \$6,900 in incorrect fee waivers. We recommend greater care be taken when fee waivers are processed to ensure the correct entries are posted to the PeopleSoft application.

Institution Response

Correction: The error was discovered in January of 2013 and the error was fixed for Spring 2013 term and all terms going forward.

Prevention and Monitoring: As a result of this discovery in January 2013, the Student Accounting Office has implemented new testing procedures performed by the Functional Analyst that ensures a more thorough testing and validation process of all waivers. The Term Rollover documentation has been updated with the new procedures. A quality control query has been created and is monitored daily by the Functional Analyst. This query ensures that the Capital improvement waiver amounts are in sync with the amount of the tuition waiver. In addition, a review of waivers is conducted during the process of charging department accounts for Graduate Assistant tuition waivers. In this review, the Third Party/Collections Specialist manually reviews the Capital Improvement waivers to verify that they are in sync with the tuition waivers.

Follow-up Response: The Functional Analyst continues to ensure that all waivers are setup correctly during the testing and validation process. The daily quality control query did not work as intended. It required external manipulations of the data and was too resource intensive. Therefore, alternate measures have been implemented to ensure that the Capital Improvement waivers remain in sync throughout the semester. The Functional Analyst is performing manual reviews throughout the semester to ensure that the waivers remain in sync. Reviews are conducted weekly for the first month of the semester and then monthly throughout the remainder of the semester. The Third Party Collections Specialist continues to perform reviews when charging department accounts and billing NSHE third party accounts.

2. One student was enrolled in a course that required the assessment of a Differential Program Fee. We noted the fee was not assessed. The fee was not assessed to 19 other students enrolled in the course during the Spring 2013 semester. We were informed this situation was caused by an error within the PeopleSoft application. The fees were charged to the students' accounts after this situation was reviewed with university personnel.

We recommend the cause of the error be determined so it can be resolved and not recur in the future.

Institution Response

Correction: The initial setup in PeopleSoft was determined to be the problem and has been corrected.

Prevention and Monitoring: Modifications to the system have been developed to provide an audit table of all fee changes. This serves as a control measure to monitor and correct any unanticipated fee changes that may occur. The Associate Registrar has been assigned the duty of ensuring that these measures are implemented. As an additional measure, the Functional Analyst for the Student Accounting Office reviews a quality control query daily and verifies any changes to fees with the Associate Registrar to determine if the changes are legitimate.

Follow-up Response: The Functional Analyst for the Student Accounting Office continues to review the daily quality control report and verifies any changes to fees with the Associate Registrar.

3. One student was assessed the incorrect amount of tuition and fees. The student enrolled in a course and dropped it within the 50% refund period. Instead of receiving a refund, registration fees were charged to the student's account for a second time. We were informed this situation was caused by a calculation error within the PeopleSoft application. A refund was issued to the student's account after this situation was reviewed with university personnel.

We recommend the cause of the error be determined so it can be resolved and not recur in the future.

Institution Response

Correction: This error is related to the Freshman Start fees that are charged via an equation. To date this error has been isolated to one student account. Corrections were made to the student's account on May 09, 2013.

Prevention and Monitoring: The Student Accounting Office has implemented a daily review process where a quality control query is sent to the Functional Analyst, who reviews for courses dropped during the 50% period to identify Freshman Start courses dropped at 50%. A manual waiver is then applied to make the fees correct.

Follow-up Response: The Functional Analyst continues to review the daily quality control report to ensure that all waivers are setup correctly during the testing and validation process and process adjustments as required. No further errors have occurred.

4. One student's account was to be paid by a third party, the Nevada Prepaid Tuition Program. The funding received by the university from the program exceeded the student's tuition and fees by a significant amount due to courses that were dropped during the semester. We noted the excess funds were not sent back to the program for approximately six months after the money was received. We were informed the delay was caused by an error that occurred while performing a manual adjustment to the student's account. As a result, the student's account did not reflect that a refund was due until the error was corrected.

We recommend procedures be developed for reviewing manual adjustments that are made to student accounts to help ensure these transactions are processed correctly.

Institution Response

Correction: As a result of this finding we are in the process of developing and testing a report to identify manual adjustments to student accounts to ensure transactions are processed correctly.

Prevention and Monitoring: The Third Party Specialist is responsible for posting and balancing third party payments. As an additional check the Functional Analyst will be responsible for reviewing the report daily.

Follow-up Response: The Third Party/Collections Specialist continues to follow the developed procedures for reviewing manual adjustments made to the student account when processing third party payments to ensure transactions are processed correctly. The Functional Analyst and the Third Party/Collections Specialist continue to review the quality control report daily to ensure that all manual adjustments from the previous day have been processed correctly.

5. We noted the date for dropping a course and receiving a 100% refund differed between the PeopleSoft application and the academic calendar that is published in the UNR General Catalog for the Fall 2012 semester. The date was listed twice in the General Catalog, one of which was incorrect.

We recommend the Admissions and Records Office take greater care to ensure the refund dates published in the General Catalog are consistent with those established in the PeopleSoft application and the refund policies stated in the NSHE Procedures and Guidelines Manual.

Institution Response

Correction: The dates in PeopleSoft were correct. The university published catalog contained conflicting dates as a result of the electronic catalog software conversion. The conflict was not discovered until after the semester had begun. No students were improperly refunded or negatively affected as a result of the conflict in the catalog dates as the PeopleSoft dates were correct.

Prevention and Monitoring: The Associate Registrars are coordinating efforts to ensure consistency in all published dates and PeopleSoft dates.

Follow-up Response: No changes since the corrective action was implemented as presented in the original response.

ADMINISTRATIVE DROPS

Students that do not pay their tuition and fees are administratively dropped from courses by university personnel. In discussing the process for performing this function and in reviewing student accounts, the following inconsistencies were noted.

1. When students are dropped for nonpayment of fees, we were informed that tuition and fee charges are removed from the students' accounts except for late charges which are required to be repaid in future enrollments. During testing of student accounts one occasion was noted in which a student was dropped from courses for nonpayment of fees. We noted all tuition and fees, including late fees, were removed from the student's account. No documentation was available to support the removal of late fees.
2. According to the academic calendar in the UNR General Catalog, students who did not pay their fees by September 7, 2012 and February 1, 2013 for the Fall 2012 and Spring 2013 semesters, respectively, were to be dropped from courses. During testing of student accounts, we noted four students that had not made payments that were not dropped until a much later date.

For items one and two above, we recommend written procedures be developed to provide guidance and to promote consistency in performing administrative drops. We recommend that exceptions to the administrative drop process be addressed in the procedures and that such exceptions require an appropriate level of documentation and/or approval when they occur.

Institution Response

Correction: Written procedures which include exceptions to policy are being documented for the administrative drop process. This will be completed by December 1, 2013.

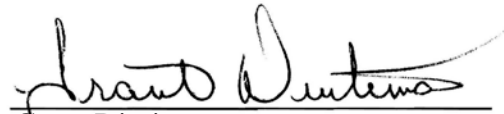
Prevention and Monitoring: Information consistency between the catalog Academic Calendar and PeopleSoft has been incorporated into the responsibilities of the Associate Registrar and will be verified with the Student Accounting Office each semester. The Associate Registrar is responsible for updating the administrative drop process on an annual basis and including them in the written procedures.


Follow-up Response: The Manager of the Student Accounting Office and the Associate Registrar continue to ensure that the developed written procedures are followed and that they are updated with process/procedural changes.

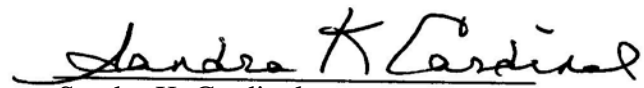
The Internal Audit Department appreciates the cooperation and assistance received from the Cashier's Office and other university personnel during this review.

Reno, Nevada
August 16, 2013


Stefania Pacheco
Internal Auditor I


Grant Dintiman
Information Technology Auditor


Scott Anderson
Internal Audit Manager


Sandra K. Cardinal
Assistant Vice Chancellor for Internal Audit



Memorandum

To: Scott Anderson, Director of Internal Audit, NSHE
From: Tom Judy
Date: April 25, 2014
Subject: Student Accounts-PeopleSoft

The purpose of this memorandum is to transmit the follow-up response from the Controller's Office to the audit of Student Accounts-PeopleSoft for Fall 2012 and Spring 2013.

I have reviewed and concur with all responses.

cc: Marc Johnson, President
Ronald Zurek, Vice President, Administration and Finance
Sheri Mendez, Controller



AUDIT

Student Accounts/People Soft

AUDIT PERIOD

Fall 2012 and Spring
2013

NUMBER OF RECOMMENDATIONS

7

#	Recommendation	Implemented	Est. Date of Completion
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Student Account Testing

1	Greater care be taken when fee waivers are processed to ensure the correct entries are posted to the PeopleSoft application.	Yes	
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2	The cause of the error be determined so it can be resolved and not recur in the future.	Yes	
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3	The cause of the error be determined so it can be resolved and not recur in the future.	Yes	
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4	Procedures be developed for reviewing manual adjustments that are made to student accounts to help ensure these transactions are processed correctly.	Yes	
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5	Admissions and Records Office take greater care to ensure the refund dates published in the General Catalog are consistent with those established in the PeopleSoft application and the refund policies stated in the NSHE Procedures and Guidelines Manual.	Yes	
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Administrative Drops

6	Written procedures be developed to provide guidance and to promote consistency in performing administrative drops.	Yes	
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7	Exceptions to the administrative drop process be addressed in the procedures and that such exceptions require an appropriate level of documentation and/or approval when they occur.	Yes	
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