

UNIVERSITY OF NEVADA, LAS VEGAS  
OFFICE OF CONTINUING EDUCATION  
Internal Audit Report  
July 1, 2012 through September 30, 2013

GENERAL OVERVIEW

The Office of Continuing Education (OCE) is a self-supporting unit within the University of Nevada Las Vegas (UNLV) Division of Educational Outreach. OCE designs and delivers high quality non-credit programs, courses, workshops, and seminars for personal enrichment and professional development. Programs and courses are monitored through established procedures with clearly defined roles and responsibilities, and are assessed with regard to student achievement. Instructors are appointed from UNLV faculty or experienced members of the local community.

OCE is managed by a director that reports to the Executive Vice President and Provost through the Vice Provost for Educational Outreach. The administrative offices are located at UNLV's Paradise Campus. As of the conclusion of our audit fieldwork, OCE had 12 full-time employees, four student employees, and one temporary employee.

The Board of Regents Handbook, Title 4, Chapter 17, Section 13, "Fees for Community Service and Continuing Education Programs," authorizes the charging of registration fees to cover the costs of instructor's salary, supplies or equipment needed, and appropriate overhead costs. OCE offered 828 courses during the audit period.

SCOPE OF AUDIT

The Internal Audit Department has completed a review of OCE for the period of July 1, 2012 through September 30, 2013.

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

1. Testing controls over the receipt and deposit of funds, including change funds and accounts receivable.
2. Reviewing contracts for compliance with Board of Regents and Nevada System of Higher Education (NSHE) guidelines.
3. Testing expenditures for reasonableness, supporting documentation, and proper approval.
4. Examining and testing equipment inventory, telephone charges, student timesheets and employee leave records.
5. Reviewing information technology (IT) controls of the department's registration system.
6. Testing the employment contracts of course instructors for availability, completeness, authorization and payment.
7. Reviewing course files for completeness and to analyze financial records for break-even/profitability.
8. Confirming there is an evaluation process in place to obtain feedback from students on courses and instructors.

In our opinion, we can be reasonably assured that OCE is operating in a satisfactory manner. However, implementation of the following recommendations would further improve operations.

## REGISTRATION SYSTEM

OCE utilizes a software application that is designed to create courses and manage registration information. The data for this system is stored on a database server within the Summer Term Office in the James Rogers Center on UNLV's main campus. During a review of the security and administration of the server, we noted daily backup of the server data to an off-site location was not occurring, even though it was occurring daily to a local campus location.

We recommend OCE investigate the possibility of daily backup of their server data to an off-site location in order to facilitate restoration of data that could potentially be lost or damaged due to a campus disaster.

### **Institution Response**

**We agree with this recommendation.**

- **What will be done to avoid the identified problems and issues in the future? A new registration system will be purchased and one requirement of the system will be the ability to back up to an off-site location.**
- **How compliance and future good management and practice will be measured and assured. Once a new registration system has been purchased, our Application and Data Specialist will work with the vendor to ensure that daily off-site backups are occurring. We are also working with UNLV Office of Information Technology (OIT) to ensure a smooth transition.**
- **Who will be responsible and may be held accountable in the future if repeat or similar problems occur? The Vice Provost will ensure that the new registration system is purchased and that the proper staffing is put in place to monitor the registration system. On a day-to-day basis, the Application and Data Specialist will be responsible for monitoring the registration system and will be responsible for reporting any issues to the Vice Provost.**
- **When the measures will be taken and on what schedule compliance and good practice will be secured. The department is currently working with Purchasing to identify a vendor and purchasing the registration system. UNLV OIT is part of this evaluation. It is expected that the new registration system will be in place by December 31, 2014.**
- **How compliance and performance will be documented for future audit, management and performance review. The Application and Data Specialist will be responsible for monitoring the registration system and will document and correct any issues as they relate to off-site backups of the data.**

## OTHER

The following issue was noted during this review; however, it is the responsibility of the Office of Educational Outreach.

## EQUIPMENT INVENTORY

We performed a review of controls over equipment inventory in accordance with NSHE policy. This review was for equipment items assigned to the Office of Educational Outreach, of which OCE is included. The review included selecting a sample of 22 equipment items, with a cost of \$63,122, from the department's master equipment list to determine whether the equipment could be located, the actual locations concurred with inventory records, and to verify the equipment was properly tagged. Twenty one of 22 items reviewed were located without exception. One laptop computer with a cost of \$1,553 could not be located and was determined to have been stolen, but had yet to be supported with the filing of a police report. Also, five of 22 (23%) equipment items were found in areas that differed from the location noted in the inventory records, and numerous unused laptops were retained that were identified as surplus.

We recommend a police report be filed, and a property movement form be completed to request removal of the missing equipment item from the department's equipment inventory records.

### **Institution Response**

**We agree with this recommendation.**

**The laptop in question was about seven years old. It had originally been purchased by the UNLV Teaching and Learning Center and was transferred to Educational Outreach when the Center closed. The computer had not been used since December 2012 and was noticed missing during our annual inventory check in September 2013.**

- **What will be done to avoid the identified problems and issues in the future? The inventory clerk has been reminded that a police report must be filed immediately any time items are determined to be stolen. All department employees have also been reminded that any missing items should be reported to the inventory clerk as soon as it is noticed.**
- **How compliance and future good management and practice will be measured and assured. The inventory is reviewed on an annual basis to ensure that all items can be located and are properly recorded in the system. The function of inventory control within the department has been centralized in order to ensure that processes are being followed consistently.**
- **Who will be responsible and may be held accountable in the future if repeat or similar problems occur? It is the responsibility of the inventory clerk to monitor and correct any issues with the inventory listing. This employee will also be responsible for reporting any issues to the Director of Administration & Budget or the Vice Provost.**
- **When the measures will be taken and on what schedule compliance and good practice will be secured. These measures were taken immediately after the issues were noted. The inventory listing is reviewed on an annual basis and the process of how inventory is tracked will be reviewed by the Director of Administration & Budget on a periodic basis.**
- **How compliance and performance will be documented for future audit, management and performance review. Documentation on inventory reviews will be maintained by the inventory clerk and will be reviewed by the Director of Administration & Budget or the Vice Provost. Any corrections to the inventory listing will be submitted to Inventory Control immediately. On an annual basis, the inventory review will be submitted to Inventory Control.**

**We respectfully request that this item be closed.**

We also recommend that property movement forms be completed to update the inventory records for each equipment location change, and that the unused laptops be reported as surplus property to the UNLV Inventory Control Department.

### **Institution Response**

**We agree with this recommendation.**

- **What will be done to avoid the identified problems and issues in the future? The items noted as being moved were still in the Continuing Education area, but had been moved to different rooms within the same building. In our previous check in December 2012, these items had been noted in the locations noted in the inventory list. A periodic review of inventory will be completed in order to verify that items can be located and are properly recorded in the system. An aging summary of**

equipment inventory will also be used to identify items that should be reported as surplus property and the proper paperwork will be completed.

- **How compliance and future good management and practice will be measured and assured. The inventory is reviewed on an annual basis to ensure that all items can be located and are properly recorded in the system. The function of inventory control within the department has been centralized in order to ensure that processes are being followed consistently.**
- **Who will be responsible and may be held accountable in the future if repeat or similar problems occur? It is the responsibility of the inventory clerk to ensure that inventory listings are up to date and reflect the most current information and to ensure that any necessary corrections and forms are completed. It is also the inventory clerk's responsibility to work with the Director of Administration & Budget to identify items that should be sent to surplus and to ensure that the items are properly disposed of and removed from the inventory listing.**
- **When the measures will be taken and on what schedule compliance and good practice will be secured. The measures were taken immediately after the issues were noted. The inventory listing is reviewed on an annual basis and the Director of Administration & Budget will review the process of how inventory is tracked on a periodic basis.**
- **How compliance and performance will be documented for future audit, management and performance review. Documentation on inventory reviews will be maintained by the inventory clerk and will be reviewed by the Director of Administration & Budget or the Vice Provost. Any corrections to the inventory listing will be submitted to Inventory Control immediately. On an annual basis, the inventory review will be submitted to Inventory Control.**

**We respectfully request that this item be closed.**


## STATEMENT OF REVENUES AND EXPENDITURES

The statement of revenues and expenditures provided below is based on the activity of the department's four self-supporting accounts. The statement is provided for informational purposes only.

	Self- Supporting Accounts	Total
Balance, July 1, 2012	\$ 337,442	\$ 337,442
Transfers-In	50,000	50,000
Revenues		
Tuition and Fees	<u>2,056,871</u>	<u>2,056,871</u>
Total Revenue	<u>2,056,871</u>	<u>2,056,871</u>
Transfers-Out	<u>106,903</u>	<u>106,903</u>
Expenditures		
Salaries	748,159	748,159
Travel	3,249	3,249
Operating	916,304	916,304
Recharge	(9,134)	(9,134)
Encumbrances	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,658,578</u>	<u>1,658,578</u>
Balance, June 30, 2013	<u>\$ 678,832</u>	<u>\$ 678,832</u>
Balance, July 1, 2013	<u>\$ 678,832</u>	<u>\$ 678,832</u>
Transfers-In	<u>-</u>	<u>-</u>
Revenues		
Tuition and Fees	<u>596,134</u>	<u>596,134</u>
Total Revenue	<u>596,134</u>	<u>596,134</u>
Transfers-Out	<u>28,620</u>	<u>28,620</u>
Expenditures		
Salaries	233,223	233,223
Travel	236	236
Operating	313,414	313,414
Recharge	(16,433)	(16,433)
Encumbrances	<u>493,320</u>	<u>493,320</u>
Total Expenditures	<u>1,023,760</u>	<u>1,023,760</u>
Balance, September 30, 2013	<u>\$ 222,586</u>	<u>\$ 222,586</u>

The Internal Audit Department appreciates the assistance and cooperation received from the UNLV staff during this review.

Las Vegas, Nevada  
December 27, 2013



Andrea H. Kelley

Internal Auditor II



J. Vito Hite

J. Vito Hite  
Internal Audit Manager



Scott Anderson

Scott Anderson  
Director of Internal Audit





**AUDIT:** Office of Continuing Education

**AUDIT PERIOD:** 07/01/2012 – 09/30/2013

**NUMBER OF FINDINGS:** 3

**NUMBER OF RECOMMENDATIONS IMPLEMENTED:** 2

Nbr	Finding	Agree	Implemented	Est Date of Completion
1	Registration system not backed up	Yes	No	12/31/2014
2	Laptop computer missing	Yes	Yes	
3	Inventory discrepancies	Yes	Yes	