

UNIVERSITY OF NEVADA, LAS VEGAS
SCHOOL OF DENTAL MEDICINE
RESIDENCY DETERMINATIONS
Internal Audit Report
January 1, 2013 through December 31, 2013

GENERAL OVERVIEW

Residency status determinations for tuition purposes for students at the UNLV School of Dental Medicine (SDM) are made by the SDM's Assistant Dean for Admissions and Student Affairs.

Students who graduated from Nevada high schools are determined to be Nevada residents for dental school tuition purposes. The residency status of students currently attending an NSHE institution is verified through PeopleSoft, or documentation is requested from the institution. Those not matriculating from a Nevada high school must submit a residency application with required supporting documentation to the dental school, in order to be in compliance with the residency and tuition charges set forth in the Board of Regents (BOR) Handbook, Title 4, Chapter 15.

Students initially classified as "non-resident" may choose to apply for a reclassification of their residency status, as it can change throughout their enrollment. The majority of dental school students who are determined to be "nonresidents" during their first year will apply for reclassification of their nonresident status, which is submitted to the SDM's Assistant Dean for Admissions and Student Affairs for review/approval and initiation of the status change in PeopleSoft. Students must apply for reclassification before the beginning of the following school year. Students will be granted "resident" status if they meet the requirements set forth in the BOR Handbook, Title 4, Chapter 15, Section 8.

UNLV has an established appellate procedure and committee to review student appeals of residency status determinations for tuition purposes. However, no appeals were submitted to the committee by SDM students for the period audited.

For the spring, summer, and fall 2013 semesters, non-resident tuition charged to SDM students totaled \$1,691,938.

SCOPE OF AUDIT

The Internal Audit Department has completed a review of the UNLV SDM residency status determination process for the period January 1, 2013 through December 31, 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. Reviewing and testing initial residency determinations for tuition purposes of SDM students and the applicable supporting documentation to ensure compliance with BOR Handbook Title 4, Chapter 15 and UNLV policies.
2. Reviewing and testing reclassification of residency status determinations for tuition purposes of SDM students to determine proper approval, compliance with policies and completion of required documentation.
3. Performing inquiries of SDM management and the Chair of the Residency Appeals Committee to confirm there were no residency appeals submitted from dental school students during the audit period.

In our opinion, we can be reasonably assured that SDM is adhering to the residency policies and procedures, and no major control weaknesses exist. However, implementation of the following recommendations would further improve operations.

RECLASSIFICATION

We reviewed controls over the reclassification process to determine whether students properly completed the residency application, submitted adequate supporting documentation, and were properly granted residency, if applicable. We noted two students under age 24 whose residency application indicated they were not claimed as a dependent on their parent's tax return. The students were granted residency status but the tax return of the students' parents was not obtained by SDM to make an independent confirmation. During the course of our review, we were able to obtain and review these tax documents to substantiate the students were not claimed as dependents.

We recommend the SDM confirm student's independent status with parental tax returns for students under age 24 whose residency application status is identified as "independent." We recommend such confirmation be made prior to completing the reclassification of residency status in order to comply with the "Financial Independence" requirements set forth in the BOR Handbook, Title 4, Chapter 15, Section 8.3.a.

Institution Response

We agree with this recommendation.

- **What will be done to avoid the identified problems and issues in the future? The SDM Assistant Dean for Admissions and Student Affairs overlooked the ages of the applicants at the time of the tax return submission. She will be more diligent in noting their ages so as to follow appropriate protocol to determine if parental tax return is needed.**

- **How compliance and future good management and practice will be measured and assured. The success of this process can be measured by the successful receipt of appropriate documentation.**
- **Who will be responsible and may be held accountable in the future if repeat or similar problems occur. The SDM Assistant Dean for Admissions and Student Affairs is responsible for this item.**
- **When the measures will be taken and on what schedule compliance and good practice will be secured. These actions have already been taken and the department will be immediately responsible for their accuracy.**
- **How compliance and performance will be documented for future audit, management and performance review. The department will continue to document all responses received from the students to ensure that this process is properly followed in the future.**

We respectfully request that this item be closed.

We also noted one student over age 24 claimed financial independence but did not provide recent tax returns to support the claim. No further inquiries or verifications were performed by SDM to identify the student's source of financial support. The BOR Handbook guidance for "Financial Independence" requires information regarding the receipt of nontaxable income to be documented in cases where no tax return is provided. During the course of our review, we were able to obtain and verify from the UNLV Financial Aid Office that substantial loans had been issued to the student to support their claim of financial independence.

We recommend the SDM comply with the BOR Handbook requirements regarding verification of income sources for applicants over the age of 24.

Institution Response

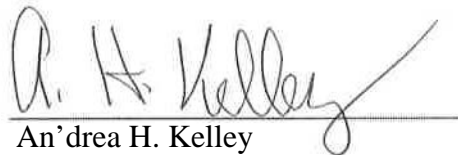
- **What will be done to avoid the identified problems and issues in the future? The SDM Assistant Dean for Admissions and Student Affairs will be more diligent in requesting additional information if the student is over 24 and did not file for taxes. Verification from our Director of Financial Aid will be obtained to determine if student has received loan assistance supporting financial independence. The residency memo under item #2, 2nd paragraph was added to state an income stream must be identified. See Attachment.**

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- **How compliance and performance will be documented for future audit, management and performance review. The department will continue to document all responses received from the students to ensure that this process is properly followed in the future.**

We respectfully request that this item be closed.

The Internal Audit Department would like to thank the SDM for their assistance and cooperation during this review.

Las Vegas, Nevada
January 8, 2014



An'drea H. Kelley
Internal Auditor II



J. Vito Hite
Internal Audit Manager



Scott Anderson
Director of Internal Audit



AUDIT: School of Dental Medicine Residency Determinations

AUDIT PERIOD: 01/01/2013 – 12/31/2013

NUMBER OF FINDINGS: 2

NUMBER OF RECOMMENDATIONS IMPLEMENTED: 2

Nbr	Finding	Agree	Implemented	Est Date of Completion
1	Parent's tax return not obtained	Yes	Yes	
2	One tax return not available	Yes	Yes	

DATE: Spring 2014
TO: Class of 2017 Out-of-State Students
FROM: Dr. Christine C. Ancajas
SUBJECT: REMINDER - Applying for Residency

Please be aware that you will be eligible for a residency reclassification after your first year in dental school. You will need to provide proper documentation by **AUGUST 15, 2014**.

The following will be required:

1. **RESIDENCY APPLICATION**

You may download the application from:

<http://www.unlv.edu/assets/admissions/docs/residency-app.pdf>

You will be applying for residency under category **N**. It must be signed and dated.

2. Copy of your **2013 FEDERAL TAX RETURN**

It must have a Nevada address. Proof of non-filing must be obtained from the IRS. If you were 24 or younger, you will need to provide a **signed** copy of your parents' federal tax return. They should not claim you as a dependent.

If you are over the age of 24 and did not file taxes, you must identify an income stream supporting your financial independence; i.e., financial aid.

AND four (4) of the following:

3. Copy of your **NEVADA DRIVER'S LICENSE**

This is very **important!** It must be issued **12** months prior to the date of your residency application. Your driver's license should be converted no later than September 3 to be eligible for residency.

4. First page of a **CHECKING or SAVINGS ACCOUNT for twelve (12) CONSECUTIVE MONTHS**. It must have your name and your Nevada address.

5. A **UTILITY BILL, CABLE OR WATER BILL for twelve (12) CONSECUTIVE MONTHS**

6. **MORTGAGE RECEIPTS** for a house in Nevada **for twelve (12) CONSECUTIVE MONTHS**

7. **LEASE OF APARTMENT OR HOUSE, RENT RECEIPTS or RENT LEDGER for twelve (12) CONSECUTIVE MONTHS**

Once approved, the status will take effect for the Fall 2015 semester. If you have any questions, please don't hesitate to email, call or stop by my office.