TRUCKEE MEADOWS COMMUNITY COLLEGE
ADMISSIONS AND RECORDS
Internal Audit Report
July 1, 2012 through May 31, 2014

GENERAL OVERVIEW

The Admissions and Records Department at Truckee Meadows Community College (TMCC) oversees the admissions and records functions at the main Dandini campus, as well as the college's other technology, performing arts, and continuing education centers located throughout the Reno area. The department is responsible for evaluating and processing applications for admittance to the college including international student applications, performing residency evaluations, providing assistance to students in the admissions and registration process, maintaining student records, posting students' grades and other information to the PeopleSoft student information system, processing transcript requests, and evaluating and processing applications for graduation. The Admissions and Records Department has an annual operating budget of approximately $800,000 and employs two professional and ten classified employees and approximately eight student workers.

SCOPE OF AUDIT

The Internal Audit Department has completed a review of the Admissions and Records (A&R) Department at the Truckee Meadows Community College for the period of July 1, 2012 through May 31, 2014.

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 department operations and admission procedures and testing compliance with established admissions and residency policies.

2. Reviewing and testing compliance for required audits of student residency determinations and high school completion.

3. Reviewing the grade posting process and testing compliance with established grade change procedures.

4. Reviewing employee access to the PeopleSoft student information system for reasonableness.

5. Testing department expenditures for reasonableness, supporting documentation, and proper signature approvals.

6. Testing and examining equipment inventories for proper accountability.

7. Reviewing leave records, timesheets and contracts for proper completion and approval.

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

ADMISSIONS PROCESS AND REQUIRED AUDITS

Prospective students may apply to TMCC by completing an online application form. Applicants must provide their name, address and contact information, residency and graduation status, as well as other personal and academic information. Supporting documentation to validate the information provided is not required. However, the NSHE Procedures and Guidelines Manual states institutions that do not require supporting documentation during the admissions process are to conduct random audits of at least 10 percent of the applicant population each semester. The audits include the collection of appropriate documentation from

students in order to confirm that the residency information and high school graduation status reported on the students' applications is accurate.

We confirmed the department is completing the above audits as required. However, in reviewing the department's files and procedures for performing the audits, the following exceptions were noted.

Audit Process

1. Documentation of the computer query used to identify the total applicant population for each audit is not maintained. As a result, we could not verify whether a minimum of 10 percent of the population was selected in the audit sample, as required. During our review, we also noted a significant variance in the number of records selected for the audit and the final number of records contained in the audit database. We were informed by A&R Department personnel that some adjustments are made after the audit sample population has been selected. However, there was no evidence in the database indicating why some records were excluded in the final audit results.

   We recommend documentation of the computer query, audit sample selection process and any adjustments thereafter be maintained in the audit file.

   Institution Response

   Corrective Action: TMCC concurs with this finding. The program staff at Admissions and Records has documented for this academic period the computer query identifying 10 percent of the student population and actual audit sample. This documentation is now maintained in an audit file. This file includes how the sample has been selected, follow up made with student, and any exceptions noted with the student and with the sample.

   Prevention and Monitoring: As part of the audit process, this documentation provided by the program staff will be reviewed by the Director of Admissions and Records (A & R) or designee at the beginning of the audit process and annually thereafter. Any corrections or adjustments will be made immediately.

2. We were informed that the Washoe County School District (WCSD) provides TMCC a report each year of students who completed high school graduation as well as students that did not. The information from the report is used in the audit process to confirm high school graduation. During the audit period, we noted the entire list of students contained in the report were given credit for graduating which meant some students may have been incorrectly identified by the college as high school graduates. We were subsequently informed by A&R personnel that the current format of the WCSD report has changed and includes only students who have earned a high school diploma or high school equivalency certificate.

In the future, we recommend greater care be taken when reviewing and using the report to ensure the correct student data is used for high school status verification purposes.

Institution Response

Corrective Action: TMCC concurs with the recommendation. TMCC has applied diligence in ensuring reasonable accuracy with student's high school graduation status. By working closely with the school district, reports noted above have been updated before the audit to ensure that only those with valid diplomas are included and used for verification. In fact, the audit review as reported below noted no exception in high school graduation testing.

Prevention and Monitoring: TMCC will continue to ensure that this source document is accurate and reliable. It will continue to be part of the documentation review of the audit file and the Director of A & R or designee will review this report before verification and annually thereafter.

Audit Review

The A&R Department selected 230 student applicants from the Spring 2013 and Fall 2013 semesters to determine the accuracy of residency information reported on the students' application for admission. Of these, we selected a sample of 22 student applicants and reviewed the department's audit files to verify whether adequate documentation was submitted in order to

verify whether residency determinations were in compliance with Board of Regents policy. On

three occasions, we noted evidence used to determine and grant Nevada residency was not in

compliance with Board of Regents policy. These exceptions include two instances in which a

tax return was not obtained and one instance in which documentation was not in place to support

12 months of Nevada residency and full-time employment.

No exceptions were noted with high school graduation testing.

We recommend the A&R Department revise the residency status for the three students

identified above and/or request updated documentation to support Nevada residency. In the

future, we recommend the required supporting documentation be obtained in accordance with

Board of Regents policy and reviewed by A&R Department personnel for compliance before

Nevada residency status is granted. This documentation should be maintained in the

department's files.

Institution Response

Corrective Action: TMCC concurs with this finding. As a follow up, TMCC was able to locate and submit voter registration documentation completing the required documentation for Nevada residency for one of the students identified in the audit. The other two students identified are not currently enrolled and will have to resubmit required proper documentation before they are granted Nevada residency. This requirement has been noted in their files.

Prevention and Monitoring: Additional training has been provided to the staff member responsible for residency evaluations to ensure the required supporting documentation is obtained before Nevada residency is granted. The Director of A&R or designee will review the work of the staff member responsible for this audit for compliance annually on or before October 15th. Compliance will be documented in the staff member's performance review.

RESIDENCY RECLASSIFICATION

According to the Board of Regents Handbook, students may seek reclassification from

nonresident to resident student status by satisfying certain requirements. This includes

completing a reclassification application form and submitting valid documents to show the establishment of Nevada residency. We selected 10 student reclassification requests that occurred during the audit period to determine whether students properly completed the application form, submitted the appropriate supporting documentation, and were properly granted residency, if applicable. During our review we noted one student was granted Nevada residency, however, documents were not available in the A&R Department to demonstrate evidence of the student's financial status as required Board of Regents reclassification policy.

We recommend the department revise the residency status of the student identified and/or request updated documentation to support the student's financial and residency status. In the future, we recommend the required supporting documentation be obtained in accordance with Board of Regents policy and reviewed by A&R Department personnel before reclassification of residency status is granted. This documentation should be maintained in the department's files.

Institution Response

Corrective Action: TMCC concurs with this finding. The student identified submitted several pieces of documentation and was expected to submit a final document that establishes his financial dependence status. This student is not currently enrolled and will have to resubmit required proper documentation before being granted Nevada residency. This has been noted in the student file for future reference.

Prevention and Monitoring: Additional training has been provided to the staff member responsible for residency reclassifications to ensure that residency determination requirements are complete. The Director of A&R or designee will review the work of the staff member responsible for this audit for compliance annually on or before October 15th. Compliance will be documented in the staff member's performance review.

PEOPLESOFT SECURITY ACCESS

We reviewed employee access that has been provided to sensitive information maintained by the A&R Department within the PeopleSoft student information system. Our review included the identification of TMCC employees with the ability to enter, update or change residency and

grade information. The following exceptions were noted.

Residency Access

1. Twenty six student employees were identified that have the ability to enter or update the

    residency status in PeopleSoft. Six of these were employed in the A&R Department,

    while the remaining 20 students worked in other campus departments. We noted an

    additional six A&R staff members and 25 employees from other campus departments

    with the same ability to enter or update the residency status. We were informed a total of

    six A&R employees require access to enter or update residency data in PeopleSoft as part

    of their job functions.

    For improved control, we recommend that update access to residency data be limited to

    those A&R employees who are responsible for entering or changing this information.

    We also recommend that the update access for the employees identified be removed, and

    if desired, replaced with inquiry only access.

    Institution Response

    **Corrective Action: TMCC concurs with this finding. During the implementation
    phase of PeopleSoft, the security roles for residency updates were bundled within
    some general roles. TMCC IT staff have isolated and removed the residency update
    roles and granted it only to the six A&R staff members that require the access.**

    **Prevention and Monitoring: The Director of A&R or designee will review security
    roles annually with the campus IT security officer on or before June 15th. In
    addition, the checklist for personnel exit includes updates to IT access and security
    roles. This would provide timely changes to access as soon as staff retire or resign
    or relocate.**

2. As previously indicated, a total of six A&R employees require access to enter or update

    residency data in PeopleSoft as part of their job functions. We noted these employees

    have been provided with excessive security access to perform these functions, including a

type of access that does not leave an audit trail in PeopleSoft. According to the

PeopleSoft user access and design criteria, there are other more appropriate action types

which allow an audit trail in the system for proper documentation and security purposes.

We recommend the access of these employees be examined to determine whether access

that is not needed could be eliminated, or at a minimum, whether such access could be

altered to include an audit trail.

Institution Response

Corrective Action: TMCC concurs with this finding. During the implementation phase of PeopleSoft, the security roles for residency update were created with excessive security access. TMCC IT staff have isolated, limited and removed this access as appropriate.

Prevention and Monitoring: The Director of A&R or designee will review security roles annually with the campus IT security officer on or before June 15th. In addition, the checklist for personnel exit includes updates to IT access and security roles. This would provide timely changes to access as soon as staff retire or resigns or relocate.

Grade Access

We were informed that eight of 12 A&R employees are responsible for posting or

changing student grades in PeopleSoft. We noted, however, the remaining four A&R employees

have also been provided with access to post or change grades.

We recommend that update access for the four employees identified be removed. We

also recommend the security access for the remaining eight employees be reviewed to determine

whether access to the sensitive functions of posting or changing grades could be further

restricted.

Institution Response

Corrective Action: TMCC concurs with this finding. TMCC IT staff has removed the grade change update roles from the four A&R employees who do not need the access and

has left the access to the eight A&R staff members who require it. The remaining eight employees provide sufficient control to maintain the integrity of grade reporting while ensuring timely posting and adjustments. The Director of A & R also reviewed activities to the system made by the four employees as it relates to grade changes. These employees were not even aware they had access and the review proved that they made no entries and changes.

Prevention and Monitoring: The Director of A&R or designee will review security roles annually with the campus IT security officer on or before June 15th. In addition, the checklist for personnel exit includes updates to IT access and security roles. This would provide timely changes to access as soon as staff retire or resign or relocate.

STUDENT TIMESHEETS

The timesheets of four student employees were reviewed for proper completion and approval, accurate work hours, and compliance with student employment policies. A total of 49 timesheets were reviewed, resulting in the exceptions noted below.

1. On six occasions, students' work hours were improperly calculated.

    We recommend the timesheets be reviewed and if necessary, the students be

    compensated if there was an underpayment of wages.

    Institution Response

    Corrective Action: TMCC concurs with this finding. Students who were underpaid have been properly remunerated. Most of the improper calculations had to do with one student who entered times where she was scheduled to be in class and also to make up for time she was paid for previously in which she did not work but incorrectly reported working.

    Prevention and Monitoring: Time sheets are now auto-calculated using computer software, eliminating manual calculation errors. Student worker supervisors will continue to review timesheets for accuracy. The staff member who manages student employees will review this process monthly. Compliance and timesheet accuracy will be documented in the staff member's performance review.

2. On twelve occasions, student timesheets were not available for review. We were

    informed by department personnel that the timesheets were inadvertently destroyed.

We recommend greater care be taken to ensure student timesheets be retained in

accordance with the TMCC Student Employment Supervisor's Manual.

Institution Response

Corrective Action: TMCC concurs with this finding. One binder containing time sheet data was inadvertently destroyed ahead of the approved retention schedule. All binders are now clearly marked and all staff are aware of proper records retention procedures.

Prevention and Monitoring: The staff member who manages student employees will review the timesheet retention schedule monthly. Compliance will be documented in the staff member's performance review.

3. On twenty occasions, the pay period was not indicated or was not completed correctly on

   the student timesheet.

   We recommend greater care be taken to ensure timesheets are properly completed, as

   required by the TMCC Student Employment Supervisor's Manual.

   Institution Response

   Corrective Action: TMCC concurs with this finding. Student time sheet information was corrected and pay periods were updated in the files. TMCC has in place an auto-calculated system where pay periods are pre-populated using computer software eliminating manual calculation errors.

   Prevention and Monitoring: TMCC has in place an auto-calculated system where pay periods are pre-populated using computer software eliminating manual calculation errors. The staff member who manages student employees will review this process monthly. Compliance and timesheet accuracy will be documented in the staff member's performance review.

EXPENDITURES

We reviewed 64 departmental expenditures for proper supporting documentation and

approval, reasonableness, and compliance with established purchasing procedures. The

following exceptions were noted.

1. On one occasion, a host form was not signed by the appropriate authority, as required.

    We also noted that the item was charged to a state account and was not properly coded to

    the host expense category.

    We recommend hosting expenses be approved by the proper authority, as required. We

    also recommend that hosting expenses be charged to authorize host accounts and properly

    charged.

    Institution Response

    **Corrective Action: TMCC concurs with the recommendations as they relate to
    hosting expenses. In fact, TMCC has in place clear guidance about the steps and
    requirements for host expenses and the use of hosting accounts. They are readily
    available on the web and provided through annual training. TMCC Accounts
    Payable ensures that these requirements are followed before processing for payment
    or reimbursement. The expense identified has been established as a program
    expense and not a hosted expense within existing guidelines. As a program expense,
    appropriate forms were completed and the employee with signature authority
    provided approval.**

    **Prevention and Monitoring: TMCC VPFA will work closely with NSHE Audit and
    with members of the Business Officers Council in clarifying policies with regards to
    hosting expenses versus program expenses. Procedures and processes will be
    updated appropriately and TMCC Budget and Planning will update its annual
    training module appropriately.**

2. On one occasion, a purchase order was completed after-the-fact, that is, after goods and

    services had already been purchased. On one other occasion, a departmental purchase

    order was completed after-the-fact.

    We recommend the purchase orders be completed in advance as required by established

    purchasing procedures.

    Institution Response

    **Corrective Action: TMCC concurs with the recommendation. TMCC monitors
    closely compliance with purchase requirements, including purchase order
    completion before procurement takes place. Any exceptions are noted**

appropriately and require approval. The original Department Purchase Order (DPO), noted in this finding was actually voided and never used. TMCC correctly required the department to complete another DPO within guidelines to pay the vendor.

Prevention and Monitoring: The Budget and Planning Office will continue to monitor its purchasing guidelines and ensure that the campus community has access to the policies and procedures through the web and through annual trainings.

ADMINISTRATIVE SECURITY

During a review of the Administrative Applications we noted a former A&R Department employee, who transferred to another TMCC department in December 2011, was still identified as an A&R Department employee in the financial accounting system and the Human Resources Management System (HRMS).

We recommend the employee's access be reviewed for reasonableness and that the department name be updated.

Institution Response

Corrective Action: TMCC concurs with this finding. This former A&R Department employee's access has been reviewed and adjusted accordingly and RACF department name has been corrected.

Prevention and Monitoring: Effective immediately, when an employee exits the department, the Director of A&R or designee will review security roles and ensure changes are made immediately. The Director of A & R will also review annually with the campus IT security officer, staff roles and access on or before June 15th.

OTHER

The following items were noted during our review; however, they are the responsibility of the TMCC and NSHE departments specified below.

EXPENDITURES

For one expenditure involving foreign travel, a TMCC Travel Expense Claim Form was

completed nearly six months after-the-fact. According to TMCC travel procedures, a travel claim form must be completed within 15 days after completion of a trip. We also noted travel related expenditures that were charged on a purchasing card were not approved by an authorized account signer. Additionally, the purchasing card statement of account was not printed and signed until nearly three months after the purchases were made.

We recommend that the TMCC Counseling and Career Services Department be reminded to follow established travel policies including the completion, submission and approval of travel forms. We also recommend that expenditures be approved by authorized personnel in a timely manner.

Institution Response

Corrective Action: TMCC concurs with this finding. The Counseling and Career Services Department has been reminded of the requirement to file travel claims within fifteen days of completing s trip. The Counseling and Career Services Department was reminded of the purchasing card policy requiring purchasing card statements to be reconciled and submitted for approval within two weeks of the close of the purchasing card period. The Counseling and Career Services Department was also reminded that expenditures be approved by an account's authorized signer.

Prevention and Monitoring: Counseling and Career Services Department supervisors will monitor their travelers to insure completion of travel claims prior to the 15 day submission requirement. As travel claims not submitted with in the fifteen day requirement become identified by the Travel Claims Section, email reminders will be sent to both the traveler and traveler's supervisor.

Monitoring of timely submissions of both travel claims and purchase cards initially starts with supervisors of travelers and purchase card holders. The frontline supervisor should request timely submission of these documents from their employees. As back up to the frontline supervisors, the Travel & Purchase Card Accounting Technician will notify the frontline supervisors when these types of documents have not cleared the Travel & Purchase card Accounting Section within 45 days of the required submission date. If a positive resolution is not reached within two weeks of the notification, the frontline supervisor's supervisor will be notified. Compliance will be documented on the monthly "Delinquent Travel Claims Report" and "Delinquent P-Card Clearing Report" as appropriate. These reports will track travel claims and purchasing card statements that are 30 days or more delinquent.

Purchase Card Statements Approved by Authorized Signer:
Counseling and Career Services Department supervisors will verify the supervisor has account authority over accounts listed on the purchasing card statement. When the supervisor does not have account authority over all entries on the purchasing card statement, the supervisor will approve the transactions listed for their account and forward the purchasing card statement to account authority for the additional accounts.

The TMCC Purchasing Card Administrator will audit submitted purchasing card statements to insure the appropriate account authority has approved the transactions on the statement. When it is noted that the appropriate authorized account signer has not approved a transaction, the purchasing card statement will be forwarded to the appropriate authorized account signer for approval and the original approving supervisor will be notified that the statement was not properly routed. Compliance TMCC wide concerning appropriate account signers not approving transaction will be accomplished by the TMCC Purchasing Card Administrator verifying account authority against the accounts listed on the purchasing card statement.

LEAVE RECORDS

The leave records of one professional and two classified employees were reviewed to determine whether the records were accurately completed and proper record keeping procedures were followed. During this review two occasions were noted in which annual leave was used before compensatory time earned had been depleted.

We recommend the TMCC Human Resources Department ensure that employee compensatory time balances be depleted before annual leave is used, as required.

Institution Response

Corrective Action: We concur with the findings and recommendations. Since this has been a manual process there have been times when compensatory time and leave slips have not arrived in the HR office in a fashion that allows for the compensatory time to be noted prior to the annual leave usage.

Prevention and Monitoring: The TMCC HR office is in the process of implementing an automated leave system which should prevent annual leave from being taken prior to the exhaustion of compensatory time. We plan to have the new iLeave system implemented and fully utilized by employees and supervisors by January 2015 which should remedy any issues along these lines.

STUDENT TIMESHEETS

According to the TMCC Student Employment Supervisors Manual, a student must be enrolled in a minimum of six credits during the summer term to be exempt from Federal Insurance Contribution Act (FICA) or the FICA Alternative Retirement Plan (FARP) deductions during these time periods. We noted one student was not enrolled in classes during the 2013 summer term. As a result four pay periods were noted in which FICA/FARP was not withheld as required.

We recommend the TMCC Student Employment Office verify student enrollment during the summer terms. We also recommend this information be provided to the BCN Payroll Department to ensure that FICA/FARP deductions are processed correctly.

Institution Response

Corrective Action: We concur with the findings. Once the Student Employment Office was made aware of the fact that students not enrolled over the summer semester on Regular Student Employee contracts were not having FICA / FARP withheld from the paychecks at the beginning of the 2014 Summer Semester, we coordinated with BCN. Starting the summer semester of 2014, BCN (Business Center North) began withholding FICA / FARP from all regular student employees during the summer semester of 2014.

Prevention and Monitoring: Students are now are required to provide Student Employment office verification of enrollment at an NSHE institution if they want the withholding stopped. The Student Employment office will forward this documentation to BCN to ensure adjustments will be made.

NSHE REQUIRED AUDITS

As mentioned above, the NSHE Procedures and Guidelines Manual, Chapter 6, Sections 16 and 17 states institutions that do not require supporting documentation to establish in-state residency and high school graduation status during the admissions process are to conduct random audits each semester. The audit process requires a sample of at least ten percent of the applicant population be selected and that supporting documentation then be collected from each student to

confirm residency and graduation status as originally reported on the student's application for admission. We noted, however, the policy does not indicate whether the applicant population refers to all applicants or only those who have matriculated to the institution. Such information affects how the applicant population and audit sample is determined.

We recommend NSHE System Administration review the policies referenced above and provide clarification regarding the appropriate applicant population for the required audits.

Institution Response

NSHE System Administration Response: In order to provide clarity to the policy as suggested, NSHE System Administration has written a revision to the NSHE Procedures and Guidelines Manual, Chapter 6, Sections 16 and 17 to indicate that the 10 percent sample required for both the residency and the community college admissions audits shall come from the *matriculated* applicant population. This revision will go for approval to the next Chancellor's Cabinet meeting, tentatively scheduled for January 20, 2015. In addition, the NSHE Director of Student Affairs will communicate the change with each of the community college registrars to be sure they adjust their process accordingly. Both of these steps should assist institutions in achieving compliance with the 10 percent audit requirements for residency and graduation status.

PRIOR AUDIT

The prior audit of the TMCC A&R Department was conducted for the period July 1, 1995 through September 30, 1996. All recommendations from the prior audit have been implemented, are no longer applicable, or have already been addressed in this audit.

STATEMENT OF REVENUE AND EXPENDITURES

The statement of revenues and expenditures provided below is based on the activity of the department's two state and five self-supporting accounts. The revenue and expenditure information was obtained from the financial accounting system and is provided for informational purposes only.
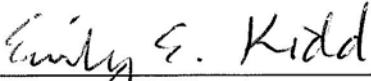
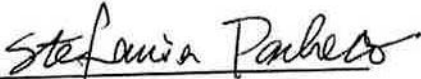|	State Accounts	Self-Supporting Accounts	Totals
Balance July 1, 2012	$ 777,155	$ 30,180	$ 807,335
Revenues			
Tuition & Fees Unrestricted	-	$ 110	$ 110
Miscellaneous Student Fees	-	$ 30,168	$ 30,168
Total Revenues	-	$ 30,278	$ 30,278
Expenditures			
Salaries	$ 673,257	-	$ 673,257
Travel	$ 11,050	$ 8,864	$ 19,914
Operations	$ 92,861	$ 4,608	$ 97,469
Total Expenditures	$ 777,167	$ 13,473	$ 790,640
Balance June 30, 2013	$ (11) [1]	$ 46,985	$ 46,973
Balance July 1, 2013	$ 767,974	$ 46,985	$ 814,959
Transfers In	-	$ 20,000	$ 20,000
Revenues			
Tuition & Fees Unrestricted	-	$ 40	$ 40
Miscellaneous Student Fees	-	$ 20,839	$ 20,839
Total Revenues	-	$ 40,879	$ 40,879
Expenditures			
Salaries	$ 489,235	$ 10,477	$ 499,712
Travel	$ 3,931	$ 4,764	$ 8,695
Operations	$ 24,357	$ 1,468	$ 25,825
Total Expenditures	$ 517,522	$ 16,709	$ 534,232
Balance May 31, 2014	$ 250,451	$ 71,155	$ 321,606

[1] According to the TMCC Budget and Planning Office, this deficit was combined and balanced with the activity in other state funded accounts. It does not reflect a reversion of state funds.

The Internal Audit Department appreciates the cooperation and assistance received from

Admissions and Records Department personnel during this review.

Reno, Nevada
October 15, 2014

Debbie L. Ottaviano
Senior Internal Auditor

Emily E. Kidd
Internal Auditor II

Stefania Pacheco
Internal Auditor II

Grant Dintiman
Information Technology Auditor

Scott Anderson
Director of Internal Audit

TRUCKEE MEADOWS COMMUNITY COLLEGE
ADMISSIONS AND RECORDS
AUDIT RESPONSE SUMMARY
JULY 1, 2012 through MAY 31, 2014

#	Recommendation	Implemented	Update*	Est. Date of Completion
1	Audit Process We recommend documentation of the computer query, audit sample selection process and any adjustments thereafter be maintained in the audit file.	Yes	The program staff at Admissions and Records has documented for this academic period the computer query identifying 10 percent of the student population and actual audit sample. This documentation is now maintained in an audit file. This file includes how the sample has been selected, follow up made with student, and any exceptions noted with the student and with the sample. As part of the audit process, this documentation provided by the program staff will be reviewed by the Director of Admissions and Records (A & R) or designee at the beginning of the audit process and annually thereafter. Any corrections or adjustments will be made immediately.	11/30/14 Annual Review
2	Audit Process In the future, we recommend greater care be taken when reviewing and using the report to ensure the correct student data is used for high school status verification purposes.	Yes	TMCC has applied diligence in ensuring reasonable accuracy with student's high school graduation status. By working closely with the school district, reports noted above have been updated before the audit to	11/30/14 Annual Review

#	Recommendation	Implemented	Update*	Est. Date of Completion
			ensure that only those with valid diplomas are included and used for verification. In fact, the audit review as reported below noted no exception in high school graduation testing.

TMCC will continue to ensure that this source document is accurate and reliable. It will continue to be part of the documentation review of the audit file and the Director of A & R or designee will review this report before verification and annually thereafter. | |
| | Audit Review

We recommend the A&R Department revise the residency status for the three students identified above and/or request updated documentation to support Nevada residency.

In the future, we recommend the required supporting documentation be obtained in accordance with Board of Regents policy and reviewed by A&R Department personnel for compliance before Nevada residency status is granted. | Yes | As a follow up, TMCC was able to locate and submit voter registration documentation completing the required documentation for Nevada residency for one of the students identified in the audit. The other two students identified are not currently enrolled and will have to resubmit required proper documentation before they are granted Nevada residency. This requirement has been noted in their files.

Additional training has been provided to the staff member responsible for residency evaluations to ensure the required supporting documentation is obtained before Nevada residency is granted. The | 11/30/14

Annual Review |

#	Recommendation	Implemented	Update*	Est. Date of Completion
			Director of A&R or designee will review the work of the staff member responsible for this audit for compliance annually on or before October 15th. Compliance will be documented in the staff member's performance review.	
1	Residency Reclassification	Yes	The student identified submitted several pieces of documentation and was expected to submit a final document that establishes his financial dependence status. This student is not currently enrolled and will have to resubmit required proper documentation before being granted Nevada residency. This has been noted in the student file for future reference. Additional training has been provided to the staff member responsible for residency reclassifications to ensure that residency determination requirements are complete. The Director of A&R or designee will review the work of the staff member responsible for this audit for compliance annually on or before October 15th. Compliance will be documented in the staff member's performance review.	11/30/14 Annual Review

#	Recommendation	Implemented	Update*	Est. Date of Completion
1	Residency Access For improved control, we recommend that update access to residency data be limited to those A&R employees who are responsible for entering or changing this information. We also recommend that the update access for the employees identified be removed, and if desired, replaced with inquiry only access.	Yes	During the implementation phase of PeopleSoft, the security roles for residency updates were bundled within some general roles. TMCC IT staff have isolated and removed the residency update roles and granted it only to the six A&R staff members that require the access. The Director of A&R or designee will review security roles annually with the campus IT security officer on or before June 15th. In addition, the checklist for personnel exit includes updates to IT access and security roles. This would provide timely changes to access as soon as staff retire or resign or relocate.	11/30/14 Annual Review
2	Residency Access We recommend the access of these employees be examined to determine whether access that is not needed could be eliminated, or at a minimum, whether such access could be altered to include an audit trail.	Yes	During the implementation phase of PeopleSoft, the security roles for residency update were created with excessive security access. TMCC IT staff have isolated, limited and removed this access as appropriate. The Director of A&R or designee will review security roles annually with the campus IT security officer on or before June 15th. In addition, the checklist for personnel exit includes updates to IT access and security roles. This would provide timely	11/30/14 Annual Review

#	Recommendation	Implemented	Update*	Est. Date of Completion
			changes to access as soon as staff retire or resigns or relocate.	
1	Grade Access We recommend that update access for the four employees identified be removed. We also recommend the security access for the remaining eight employees be reviewed to determine whether access to the sensitive functions of posting or changing grades could be further restricted.	Yes	TMCC IT staff has removed the grade change update roles from the four A&R employees who do not need the access and has left the access to the eight A&R staff members who require it. The remaining eight employees provide sufficient control to maintain the integrity of grade reporting while ensuring timely posting and adjustments. The Director of A & R also reviewed activities to the system made by the four employees as it relates to grade changes. These employees were not even aware they had access and the review proved that they made no entries and changes. The Director of A&R or designee will review security roles annually with the campus IT security officer on or before June 15th. In addition, the checklist for personnel exit includes updates to IT access and security roles. This would provide timely changes to access as soon as staff retire or resign or relocate.	11/30/14 Annual Review
1	Student Timesheets We recommend the timesheets be reviewed and if necessary,	Yes	Students who were underpaid have been properly remunerated. Most of the improper	11/30/14 Monthly Review

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	the students be compensated if there was an underpayment of wages.		calculations had to do with one student who entered times where she was scheduled to be in class and also to make up for time she was paid for previously in which she did not work but incorrectly reported working. Time sheets are now auto-calculated using computer software, eliminating manual calculation errors. Student worker supervisors will continue to review timesheets for accuracy. The staff member who manages student employees will review this process monthly. Compliance and timesheet accuracy will be documented in the staff member's performance review.	
2	Student Timesheets We recommend greater care be taken to ensure student timesheets be retained in accordance with the TMCC Student Employment Supervisor's Manual.	Yes	One binder containing time sheet data was inadvertently destroyed ahead of the approved retention schedule. All binders are now clearly marked and all staff are aware of proper records retention procedures. The staff member who manages student employees will review the timesheet retention schedule monthly. Compliance will be documented in the staff member's performance review.	11/30/14 Monthly Review

#	Recommendation	Implemented	Update*	Est. Date of Completion
3	Student Timesheets

We recommend greater care be taken to ensure timesheets are properly completed, as required by the TMCC Student Employment Supervisor's Manual. | Yes | Student time sheet information was corrected and pay periods were updated in the files. TMCC has in place an auto-calculated system where pay periods are pre-populated using computer software eliminating manual calculation errors.

The staff member who manages student employees will review this process monthly. Compliance and timesheet accuracy will be documented in the staff member's performance review. | 11/30/14

Monthly review |
| 1 | Expenditures

We recommend hosting expenses be approved by the proper authority, as required. We also recommend that hosting expenses be charged to authorize host accounts and properly charged. | Yes | TMCC concurs with the recommendations as they relate to hosting expenses. In fact, TMCC has in place clear guidance about the steps and requirements for host expenses and the use of hosting accounts. They are readily available on the web and provided through annual training. TMCC Accounts Payable ensures that these requirements are followed before processing for payment or reimbursement. The expense identified has been established as a program expense and not a hosted expense within existing guidelines. As a program expense, appropriate forms were completed and the employee with signature authority provided | 11/30/14 |

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			approval. TMCC VPFA will work closely with NSHE Audit and with members of the Business Officers Council in clarifying policies with regards to hosting expenses versus program expenses. Procedures and processes will be updated appropriately and TMCC Budget and Planning will update its annual training module appropriately.	
2	Expenditures We recommend the purchase orders be completed in advance as required by established purchasing procedures.	Yes	TMCC monitors closely compliance with purchase requirements, including purchase order completion before procurement takes place. Any exceptions are noted appropriately and require approval. The original Department Purchase Order (DPO), noted in this finding was actually voided and never used. TMCC correctly required the department to complete another DPO within guidelines to pay the vendor. The Budget and Planning Office will continue to monitor its purchasing guidelines and ensure that the campus community has access to the policies and procedures through the web and through annual trainings.	11/30/14
1	Administrative Security We recommend the	Yes	This former A&R Department employee's access has been reviewed	11/30/14 Annual

#	Recommendation	Implemented	Update*	Est. Date of Completion
	employee's access be reviewed for reasonableness and that the department name be updated		and adjusted accordingly and RACF department name has been corrected. Effective immediately, when an employee exits the department, the Director of A&R or designee will review security roles and ensure changes are made immediately. The Director of A & R will also review annually with the campus IT security officer, staff roles and access on or before June 15th.	Review
1	Other – Expenditures We recommend that the TMCC Counseling and Career Services Department be reminded to follow established travel policies including the completion, submission and approval of travel forms. We also recommend that expenditures be approved by authorized personnel in a timely manner.	Yes	The Counseling and Career Services Department has been reminded of the requirement to file travel claims within fifteen days of completing s trip. The Counseling and Career Services Department was reminded of the purchasing card policy requiring purchasing card statements to be reconciled and submitted for approval within two weeks of the close of the purchasing card period. The Counseling and Career Services Department was also reminded that expenditures be approved by an account's authorized signer. Counseling and Career Services Department supervisors will monitor their travelers to insure completion of travel claims	11/30/14

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			prior to the 15 day submission requirement. As travel claims not submitted with in the fifteen day requirement become identified by the Travel Claims Section, email reminders will be sent to both the traveler and traveler's supervisor. Monitoring of timely submissions of both travel claims and purchase cards initially starts with supervisors of travelers and purchase card holders. The frontline supervisor should request timely submission of these documents from their employees. As back up to the frontline supervisors, the Travel & Purchase Card Accounting Technician will notify the frontline supervisors when these types of documents have not cleared the Travel & Purchase card Accounting Section within 45 days of the required submission date. If a positive resolution is not reached within two weeks of the notification, the frontline supervisor's supervisor will be notified. Compliance will be documented on the monthly "Delinquent Travel Claims Report" and "Delinquent P-Card Clearing Report" as appropriate. These reports will track travel claims and	

#	Recommendation	Implemented	Update*	Est. Date of Completion
			purchasing card statements that are 30 days or more delinquent.	
			Purchase Card Statements Approved by Authorized Signer: Counseling and Career Services Department supervisors will verify the supervisor has account authority over accounts listed on the purchasing card statement. When the supervisor does not have account authority over all entries on the purchasing card statement, the supervisor will approve the transactions listed for their account and forward the purchasing card statement to account authority for the additional accounts.	
			The TMCC Purchasing Card Administrator will audit submitted purchasing card statements to insure the appropriate account authority has approved the transactions on the statement. When it is noted that the appropriate authorized account signer has not approved a transaction, the purchasing card statement will be forwarded to the appropriate authorized account signer for approval and the original approving supervisor will be notified that the statement was not properly routed.	

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			Compliance TMCC wide concerning appropriate account signers not approving transaction will be accomplished by the TMCC Purchasing Card Administrator verifying account authority against the accounts listed on the purchasing card statement.	
	Other – Leave Records We recommend the TMCC Human Resources Department ensure that employee compensatory time balances be depleted before annual leave is used, as required.	Yes	Since this has been a manual process there have been times when compensatory time and leave slips have not arrived in the HR office in a fashion that allows for the compensatory time to be noted prior to the annual leave usage. The TMCC HR office is in the process of implementing an automated leave system which should prevent annual leave from being taken prior to the exhaustion of compensatory time. We plan to have the new iLeave system implemented and fully utilized by employees and supervisors by January 2015 which should remedy any issues along these	January 2015
	Other – Student Timesheets We recommend the TMCC Student Employment Office verify student enrollment during the summer terms. We also recommend this information be provided to the	Yes	Once the Student Employment Office was made aware of the fact that students not enrolled over the summer semester on Regular Student Employee contracts were not having FICA / FARP withheld	Summer 2014

#	Recommendation	Implemented	Update*	Est. Date of Completion
	BCN Payroll Department to ensure that FICA/FARP deductions are processed correctly		from the paychecks at the beginning of the 2014 Summer Semester, we coordinated with BCN. Starting the summer semester of 2014, BCN (Business Center North) began withholding FICA / FARP from all regular student employees during the summer semester of 2014. Students are now are required to provide Student Employment office verification of enrollment at an NSHE institution if they want the withholding stopped. The Student Employment office will forward this documentation to BCN to ensure adjustments will be made.	