

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FEDERAL COMPLIANCE AUDIT REPORT

OF

UNIVERSITY OF SOUTHERN INDIANA

EVANSVILLE, INDIANA

July 1, 2022 to June 30, 2023



FILED
03/12/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President	Dr. Ronald S. Rochon	07-01-22 to 06-30-24
Vice President for Finance and Administration and Treasurer	Steven J. Bridges	07-01-22 to 06-30-24
Chair of the Board of Trustees	Ronald D. Romain Christine H. Keck	07-01-22 to 06-30-23 07-01-23 to 06-30-24



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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

TO: THE OFFICIALS OF THE UNIVERSITY OF SOUTHERN INDIANA, EVANSVILLE, INDIANA

We have audited the financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the University of Southern Indiana (University), a component unit of the State of Indiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon, dated November 1, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to November 1, 2023. Our report includes a reference to other auditors who audited the financial statements of the University of Southern Indiana Foundation, Inc., as described in our report on the University's financial statements.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Beth Kelley, CPA, CFE
Deputy State Examiner

November 1, 2023



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE UNIVERSITY OF SOUTHERN INDIANA, EVANSVILLE, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the University of Southern Indiana (University), a component unit of the State of Indiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated November 1, 2023. Our report includes a reference to other auditors who audited the financial statements of the University of Southern Indiana Foundation, Inc., as described in our report on the University's financial statements. The financial statements of the University of Southern Indiana Foundation, Inc., were not audited in accordance with *Government Auditing Standards*, and, accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the University of Southern Indiana Foundation, Inc., or that are reported on separately by those auditors who audited the financial statements of the University of Southern Indiana Foundation, Inc.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Beth Kelley, CPA, CFE
Deputy State Examiner

November 1, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE UNIVERSITY OF SOUTHERN INDIANA, EVANSVILLE, INDIANA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the University of Southern Indiana's (University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023. The University's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's federal programs.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The University's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The University's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001, to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards require the auditor to perform limited procedures on the University's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Beth Kelley, CPA, CFE
Deputy State Examiner

February 22, 2024

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were prepared by management of the University. The schedule and notes are presented as intended by the University.

UNIVERSITY OF SOUTHERN INDIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Year Ended June 30, 2023

Cluster Title Federal Grantor Agency Pass-Through Entity Program Title/Project Title	Federal Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Federal Awards Expended	Expenditures to Subrecipients
Student Financial Assistance Cluster				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Grants				
Federal Supplemental Educational Opportunity Grants	84.007		\$ 295,050	\$ -
Federal Work-Study Program	84.033		221,754	-
Federal Pell Grant Program	84.063		8,272,955	-
Federal Direct Student Loans	84.268		<u>25,178,691</u>	<u>-</u>
Total for Student Financial Assistance Cluster			<u>33,968,450</u>	<u>-</u>
TRIO Cluster				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Grant				
TRIO Student Support Services	84.042		<u>254,047</u>	<u>-</u>
Total for TRIO Cluster			<u>254,047</u>	<u>-</u>
Total for U.S. Department of Education			<u>34,222,497</u>	<u>-</u>
Research and Development Cluster				
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>				
Pass-Through Jet Propulsion Laboratory				
Science	43.001	1691961	<u>146</u>	<u>-</u>
Total for National Aeronautics and Space Administration			<u>146</u>	<u>-</u>
<u>NATIONAL SCIENCE FOUNDATION</u>				
Direct Grant				
Social, Behavioral, and Economic Sciences	47.075		<u>37,594</u>	<u>-</u>
Direct Grant				
STEM Education (formerly Education and Human Resources)	47.076		28,726	-
STEM Education (formerly Education and Human Resources)	47.076		14,722	-
STEM Education (formerly Education and Human Resources)	47.076		<u>14,486</u>	<u>-</u>
<i>Total ALN 47.076</i>			<u>57,934</u>	<u>-</u>
Total for National Science Foundation			<u>95,528</u>	<u>-</u>
Total for Research and Development Cluster			<u>95,674</u>	<u>-</u>
Other Programs				
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>				
Pass-Through Indiana Humanities Council				
Promotion of the Humanities Federal/State Partnership	45.129	23-1008	<u>3,000</u>	<u>-</u>
Total for National Endowment for the Humanities			<u>3,000</u>	<u>-</u>

UNIVERSITY OF SOUTHERN INDIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Year Ended June 30, 2023

Cluster Title Federal Grantor Agency Pass-Through Entity Program Title/Project Title	Federal Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Federal Awards Expended	Expenditures to Subrecipients
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Grants				
COVID-19 - Education Stabilization Fund	84.425F		1,403,908	-
Total for U.S. Department of Education			<u>1,403,908</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Direct Grants				
Advanced Nursing Education Workforce Grant Program	93.247		171,374	-
Advanced Nursing Education Workforce Grant Program	93.247		<u>383,024</u>	<u>229,363</u>
<i>Total ALN 93.247</i>			<u>554,398</u>	<u>229,363</u>
Nurse Education, Practice Quality and Retention Grants	93.359		189,306	-
COVID-19 - Nurse Education, Practice Quality and Retention Grants	93.359		<u>43,750</u>	<u>-</u>
<i>Total ALN 93.359</i>			<u>233,056</u>	<u>-</u>
PPHF Geriatric Education Centers	93.969		<u>853,384</u>	<u>331,467</u>
Pass-Through Indiana University				
Area Health Education Centers	93.107	8065	31,743	-
Area Health Education Centers	93.107	9484	<u>87,201</u>	<u>-</u>
<i>Total ALN 93.107</i>			<u>118,944</u>	<u>-</u>
Pass-Through Indiana Center for Nursing				
Nursing Workforce Diversity	93.178	None	<u>52,820</u>	<u>-</u>
Pass-Through Indiana Department of Health				
COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	0000000000000000000000061598	<u>162,256</u>	<u>-</u>
Total for U.S. Department of Health and Human Services			<u>1,974,858</u>	<u>560,830</u>
Total for Other Programs			<u>3,381,766</u>	<u>560,830</u>
Total Federal Awards Expended			<u>\$ 37,699,937</u>	<u>\$ 560,830</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

UNIVERSITY OF SOUTHERN INDIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2023

Note 1. Basis of Presentation and Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the University and is presented on the accrual basis of accounting in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Expenditures reported on the Schedule are recognized following the cost principles contained in the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general-purpose financial statements. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The University has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 2. Federal Direct Student Loans

The number of guaranteed student loans and total amount for each program for University students for the year ended June 30, 2023, were as follows:

	No. of Students	Amount
Direct Loan Program (Subsidized and Unsubsidized)	2,985	\$22,093,690
Direct PLUS Loans (Parent and Graduate PLUS Loans)	<u>318</u>	<u>3,085,001</u>
Totals	<u>3,303</u>	<u>\$25,178,691</u>

UNIVERSITY OF SOUTHERN INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:

Name of Opinion Unit	Opinion Issued
Business-Type Activities	Unmodified
Discretely Presented Component Unit	Unmodified
Aggregate Remaining Fund Information	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
84.425	Student Financial Assistance Cluster COVID-19 - Education Stabilization Fund	Unmodified Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? yes

Section II - Financial Statement Findings

No matters are reportable.

UNIVERSITY OF SOUTHERN INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2023-001

Subject: Student Financial Assistance Cluster - Special Tests and Provisions - Enrollment Reporting
Federal Agency: Department of Education
Federal Programs: Federal Pell Grant Program, Federal Direct Student Loans
Assistance Listings Numbers: 84.063, 84.268
Compliance Requirement: Special Tests and Provisions - Enrollment Reporting
Audit Findings: Material Weakness, Other Matters

Condition and Context

As a recipient of Title IV funding from the Federal Pell Grant Program (Pell) and Federal Direct Student Loans program (direct loan), the University was responsible for reporting accurate enrollment information for students receiving those awards to the National Student Loan Data System (NSLDS). Enrollment reporting requires the University to review, update, and certify student enrollment statuses, program information, and effective dates for each student receiving a Pell and/or direct loan award with a change in its enrollment information. Although the University had policies and procedures in place over Enrollment Reporting, a specific process to ensure system defects did not impact reporting requirements was not implemented. As such, errors in reporting campus level and program level data went undetected.

A sample of 40 students was selected to determine if the University was notifying the Department of Education of changes in student enrollment information in a timely and accurate manner. Of the 40 students tested, 11 students had incorrect enrollment effective dates reported to the NSLDS for both campus-level and program level data.

Follow-up procedures determined that the issue was isolated to students in the Spring 2023 term who had a change in enrollment status from the census date to the end of the term. The issue was a result of a system defect that pulled the wrong dates into the report the University used to submit the data to the NSLDS. The issue affected 160 students out of a total of 6,952 students.

The lack of effective internal controls was a systemic issue throughout the audit period, while the noncompliance was isolated to the Spring 2023 term.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

UNIVERSITY OF SOUTHERN INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

34 CFR 685.309(b) states in part:

"Enrollment reporting process.

- (1) Upon receipt of an enrollment report from the Secretary, a school must update all information in the report and return the report to the Secretary—
 - (i) In the manner and format prescribed by the Secretary; and
 - (ii) Within the timeframe prescribed by the Secretary. . . ."

The 2022-2023 Federal Student Aid Handbook, Volume 2, Chapter 3 states in part:

"Sharing Information With NSLDS, Federal Loan Servicers, And Guarantors

Reporting student enrollment data to NSLDS

Student enrollment information is important, and all schools participating or approved to participate in the FSA programs must have online enrollment access and have some arrangement to report student enrollment data to the National Student Loan Data System (NSLDS) through an enrollment roster file. Enrollment information is used to determine if the student is still considered in school, must be moved into repayment, or is eligible for an in-school deferment. Program-level enrollment data is also used to determine a student's eligibility for Direct Subsidized Loans. For students moving into repayment, the out-of-school status effective date determines when the grace period begins and how soon a student must begin repaying loan funds. You're required to report changes in the student's enrollment status, the effective date of the status, and an anticipated completion date. . . ."

Cause

A proper system of internal controls over enrollment reporting was not effective to ensure that accurate enrollment data was submitted to the NSLDS. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the University's management statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

Effect

Without the proper implementation of an effectively designed system of internal controls, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. As a result, enrollment information was not properly submitted to the NSLDS.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended the University's management establish a system of internal controls that includes a review of Banner job processes to verify source data is correctly populated so as to ensure that all data elements required to be submitted to the NSLDS are accurate.

UNIVERSITY OF SOUTHERN INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the University. The document is presented as intended by the University.



CORRECTIVE ACTION PLAN

FINDING 2023-001

Finding Subject: Student Financial Assistance Cluster - Special Tests and Provisions - Enrollment Reporting

Summary of Finding:

Although the University had policies and procedures in place over Enrollment Reporting, a process to ensure that system defects did not impact reporting requirements was not implemented. As such, for students who had a reduction or increase in enrollment status during the Spring 2023 term, errors in reporting campus level and program level data went undetected. Students with a status of withdrawn or with no changes during the period were accurately reported. It was recommended that the University's management establish a system of internal controls that includes a review of Banner job processes to verify source data is correctly populated so as to ensure that all data elements required to be submitted to NSLDS are accurate.

Contact Person Responsible for Corrective Action: Angel Nelson, Associate Registrar

Contact Phone Number and Email Address: (812) 465-1626; angel.nelson@usi.edu

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

While the University of Southern Indiana had internal controls in place to verify the accuracy of our enrollment reporting data, these controls were not effective in discovering system errors. In order to correct this deficiency, the following corrective actions have been implemented:

1. The system defect within our student information system has been corrected by our vendor.
2. All student records affected by the system defect have been corrected in the National Student Loan Clearinghouse database.
3. Beginning in January 2024, the University increased the number of records selected for review from the enrollment file, making sure to review some students who had a reduction or increase in enrollment status, as well as some who had withdrawn.
4. Associate Registrar has subscribed to the e-community for our software vendor to monitor for future system errors.

Anticipated Completion Date:

The system defect was corrected with the installation of a system patch that was installed on June 4, 2023.

All other steps in the corrective action plan have been completed as of January 26, 2024.

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . .The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.”

2 CFR § 200.511(c) – “At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor's reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.”

Finance and Administration

OTHER REPORTS

In addition to this report, other reports may have been issued for the University. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.