Mastering the Compliance Audit Guide

Presented By:

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Agenda

- What Does the Non-federal Team Do
- Updated FAQs Issued
- Gainful Employment
- Dear CPA Letter Concerning GLBA
- School Insights, Preparation and Tips for Success
- Q&A

Non-federal Audit Team

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What We Do

- Maintain all the Audit Guides

- Advise the Department and FSA on the Compliance Supplement

- Assure Quality Audits by Conducting QCRs

- Provide Technical Advice via the Email Box – OIGnon-federalaudit@ed.gov

Frequently Asked Questions

- Updated July 2019
  - https://www2.ed.gov/about/offices/list/oig/nonfed/auditguidefaqs.pdf
- Q24: Schedule of Findings and Questioned Costs – Withdrawn Universe Sample
- Q25: Rescission of the Gainful Employment Rule

Dear CPA Letter - GLBA

- Adding Section C.8.12 to Chapter 3 to determine whether Institutions of Higher Education have complied with the Federal Trade Commission's regulations for implementing the Gramm–Leach–Bliley Act in regard to ensuring the security and confidentiality of customer information.

Student File Testing

- Review includes– active, graduated (at least 2 from each program), withdrawn students
  - Schools with at least 250 students – review 120 files
  - Schools with less than 250 students – 25% of the population
    - At least 5 distance education files
    - At least 5 verification files
    - At least 5 transfer files
    - At least 5 Teach Grant
- Auditor sends confirmation emails to the entire sample (Email acceptable), must get at least 30% response

Student File Testing

- Ensure sufficient resources are available (ex: printers, paper, additional staff)

- Understand where different types of documents reside (academic vs. financial; ground vs. distance education)

- Make sure your teams have access to the different student record management systems so that they may pull the necessary data or allow auditors to view information (don't forget NSLDS and COD)

- Do your own internal audit to understand how academic related activity is captured and how you are able to access last date of attendance

- More information to pull for each file, i.e. proof of Academic Related Activity, proof of students selected to receive stipend

Incentive Compensation

- Includes all associates that serve in the admission/recruiting function or award Title IV funds

- Have copies of compensation plans, job descriptions, performance evaluations, explanations for all salary adjustments

- Make sure all lead generators' contracts that have been reviewed by your legal department

- Understand the compensation plans for your employees that recruit, enroll and/or award Title IV funds

- Make sure your Human Resources department is available to pull back-up documentation for raises, promotions and compensation plans for your covered and non-covered employees in the admissions and financial aid departments

90/10

- Schools are required to complete the calculation
- Complete the calculation by student within the OPEID
- Even if a student changes campuses/programs within the OPEID, make sure to complete a cumulative calculation for each student
- Organize your file in a way that is easy to understand and ensure that it has accurate hierarchy when calculating
- Auditor will recalculate, so make sure that all of the fund sources are included in the support file

Administrative Capability

- Third party servicers
  - Have copies of all of your Third Party Servicers contracts and the most recent attestation engagement report and make sure that they are reviewed by your legal department for the required language
  - All your Third Party Services must be listed on your ECAR
  - Must have compliance attestation engagement reports ready for each Third Party Servicer
- Have your IPEDs graduation/completion rate back data prepared for review. Scrub your back-up to make sure that it is easy to follow with the appropriate headings and tabs. Do not include extraneous information on the report.
- If you are reporting the Job placement rates for your accreditor and/or state, have your annual reports ready for review along with the back up data used to compile the report
- Review your website and marketing materials to make sure that your completion/graduation data and job placement data is up-to-date

Administrative Capability

- Review your Annual Security Report to make sure that all of the required statements are captured. If any of the statements are not applicable to your institution, state it in the report. Do not leave any of the areas unaddressed

- Audit your crime data and make sure that you are able to quickly locate the back up information for each of the crimes listed on the report. Make sure that the ASR and the USDOE Data Submission aligns for three previous years.

- For the Student Right to Know Disclosures and for the Annual Security Report notifications, make sure that you are able to provide proof of delivery to all of your students, faculty and staff by the due date (Ex: email with time stamp, list from IT of all students and when they received the email, a screen shot of the record in the student management system)

Administrative Capability

- Make sure to have available all of your Title IV policies and procedures. The auditor will test whether the two align and whether they could be validated in how the Title IV funds are processed.

Gainful Employment

- Gainful Employment was rescinded on July 1, 2019 effective July 1, 2020 unless the school decided to early implement the GE rescission regulations
  - Must execute an internal memo rescinding GE with effective date
  - One letter for each OPEID
  - The memo must be signed by the Senior Administrator
  - Example of the memo available from CECU

Gainful Employment

- If the school chose not to rescind early, then it is still required to:
  - To submit GE Completers data by October 1, 2019
  - Continue to publish GE disclosures on website and provide to prospective students
  - Continue to provide GE warnings (if required)
  - Prospective students must sign a copy of the GE disclosure
  - With each ECAR update must include GE Certification
  - ECAR Programs must align with the GE disclosures on the website

Questions?

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