

# Internal Audit Report

March 6, 2025

# Conflict of Interest Disclosure Compliance

Audit Objectives:	RISK MITIGATION			
	Adequate Controls & Practices	Opportunity for Minor Improvement	Opportunity for Moderate Improvement	Opportunity for Significant Improvement
Evaluate University conflict of interest policies and procedures for compliance with Indiana law				
Evaluate University conflict of interest policies and procedures for compliance with federal regulations promoting objectivity in research				

# Conflict of Interest Disclosure Compliance Observations and Responses

- **Observation 1:** The USI Investigator – Significant Financial Interest (SFI) Determination Form does not request disclosure of potential future significant financial interests that may be created as a result of the University being selected as a grant award recipient.
- **Response:** The Office of Sponsored Projects and Research Administration (OSPR) has revised the SFI Determination Form to indicate University personnel should disclose financial interests that will occur in the next twelve months, either as a result of receiving external funds or due to another known or anticipated event.

# Conflict of Interest Disclosure Compliance Observations and Responses

- **Observation 2:** The University's SFI Disclosure Policy does not include several elements required by federal regulations to be included in an institution's written financial conflicts of interest policy .
- **Response:** The OSPR will revise the SFI Disclosure Policy to include the regulatory requirements and implement any procedures necessary to achieve compliance by September 30, 2024.

# Conflict of Interest Disclosure Compliance Observations and Responses

- **Observation 3:** The Conflict of Interest Review Committee membership and review procedures had not been updated to reflect changes in personnel with responsibility for reviewing disclosures.
- **Response:** The OSPR will update the review procedures in the SFI Disclosure Policy and update the Conflict of Interest Review Committee membership to ensure appropriate representation on the committee.

# Conflict of Interest Disclosure Compliance Observations and Responses

- **Observation 4:** There has not been a formal process in place to ensure conflict of interest disclosures submitted to the Office of Government and Legal Affairs (OGLA) are relayed to OSPR.
- **Response:** Beginning in January 2025, the OGLA will copy the OSPR on conflict of interest reports submitted to the state.

# Housing & Residence Life (HRL) System Access and Internal Control Review

Audit Objectives:	RISK MITIGATION			
	Adequate Controls & Practices	Opportunity for Minor Improvement	Opportunity for Moderate Improvement	Opportunity for Significant Improvement
Evaluate the adequacy of the system of internal controls over Housing and Residence Life operations				
Assess the adequacy of user access security for the StarRez residential management software				

# HRL System Access and Internal Control Review Observations and Responses

- **Observation 1:** There is not a formal, independent review of housing rates published on the University website and entered into the StarRez data management system documenting that the rates reflect Board approved rates.
- **Response:** Effective January 2025 and going forward, HRL personnel will coordinate with the Bursar and accounting staff to perform and document the comparison of rates on the website and in StarRez to Board approved rates.



# HRL System Access and Internal Control Review Observations and Responses

- **Observation 2:** There are currently no standard damage fees established based on the general condition of the living space, furniture, and fixtures.
- **Response:** The HRL facilities manager will work with the assistant director of occupancy management to standardize and streamline the assessment of damage fees.

# HRL System Access and Internal Control Review Observations and Responses

- **Observation 3:** StarRez user security groups have not been fully developed and access for users with similar roles is not consistent.
- **Response:** The director of HRL has opened a support ticket for StarRez to help create a streamlined user access guideline based on roles.

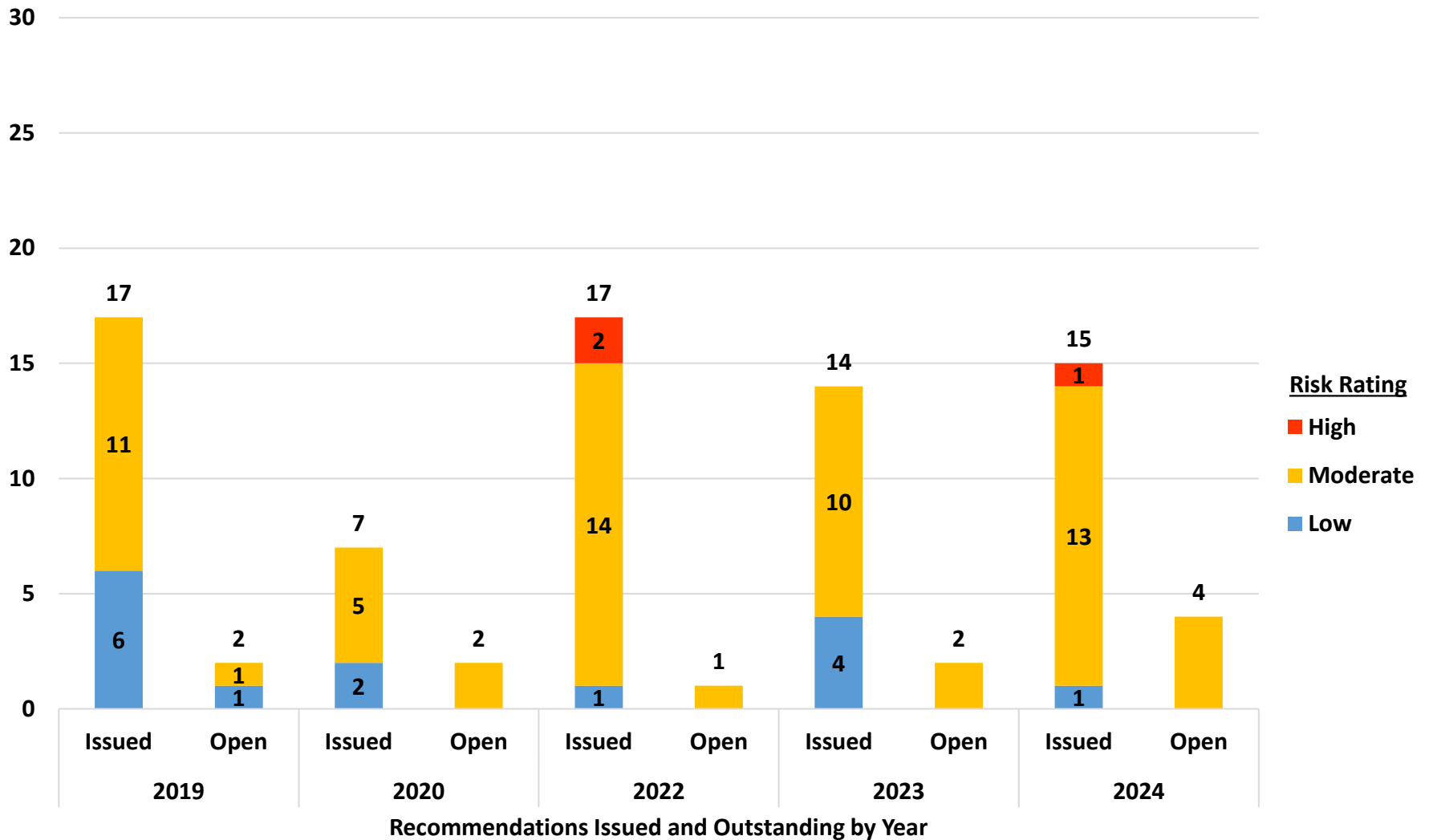
# Federal Student Aid Compliance

Audit Objectives	RISK MITIGATION			
	Adequate Controls & Practices	Opportunity for Minor Improvement	Opportunity for Moderate Improvement	Opportunity for Significant Improvement
Compliance with Institutional Eligibility Requirements				
Compliance with Federal Student Financial Assistance General Eligibility Requirements				
Compliance with Federal PELL Grant Requirements				
Compliance with Federal Campus-Based Program Requirements				
Compliance with Federal Direct Loan and PLUS Loan Requirements				
Compliance with other federal requirements contained in the Compliance Supplement				
Fiscal Operations Report and Application to Participate (FISAP) Completed Accurately and Submitted Timely				
Policies, Procedures and Other Issues				

# Audit Recommendation Matrices

- Rating definitions
  - Low – Minor issue; characterized by insignificant financial impact or minimal impact on ability to meet goals and objectives
  - Moderate – Medium-priority internal control or risk management issue; characterized by modest financial losses, reputation damage, or delayed achievement of goals and objectives
  - High – Significant internal control or risk management issue; characterized by high susceptibility to fraud or misappropriation, material financial impact, considerable damage to reputation, or inability to achieve goals and objectives

# Audit Recommendation Status Update



# 2025 Internal Audit and Advisory Services Plan

QUARTER BEGINNING	AUDIT AREA	DESCRIPTION	HOURS
January 2025	Changes to Personal Information	Review policies and procedures for name changes, SSN changes, etc. across departments	100
	Authorized Driver Recertification	Review controls over driver recertifications	150
	Registrar - Degree Conferral	Review controls over academic degree conferral	220
	Internal Control Documents for financial statement audit	Documentation of accounting and financial reporting controls for state auditors	125
April 2025	IT Security Initiatives	Monitor progress on security findings from prior IT security and privacy audits & coordinating follow-up to past external audit reviews	200
	Accounts Payable	Review controls over accounts payable processing	240
	United Healthcare Claims	Review process for claims processing and payment	150
	Facility Operations Storeroom	Physical inventory observation	50
July 2025	Athletics Grant-in-Aid	Evaluate NCAA Compliance	240
	Slate (CRM) Review	Analyze data collection and storage	225
	Federal Student Financial Aid	Review administration of federal student aid for compliance with federal requirements governing Title IV student aid programs	250
October 2025	University Risk Management Committee	Facilitation of University Risk Management Committee activities	100
	External Audit Support	Support for external auditors performing federal financial aid audit and state aid agreed upon procedures	150
	Payroll Time Reporting	Review Web Time Entry controls	225
	Business Office	Financial Accounts and Authorized Signer Review	75

<b>Total Hours</b>	<b><u>2,500</u></b>
Hours Available	2,553
Hours available for unscheduled audits	53

