



Tab Y Update on Recent Audits

Coordinating Board for Higher Education
March 8, 2018

BACKGROUND

Coordinating Board bylaws provide that the Audit Committee receives and reviews all audit reports pertaining to the board and MDHE, as well as any other audit reports as necessary. The Audit Committee is responsible for reporting to the board on the contents of the reports and for following up with the commissioner and department staff regarding resolution of any findings in the reports. The Audit Committee is responsible for reporting to the board on the status of any such findings.

The following summarizes recent audit reports and steps MDHE staff have taken to address findings identified in those reports.

CURRENT STATUS

Reports from the State Auditor

August 2016: Higher Education

1. Financial Aid Awards

MDHE staff have developed processes to address and prevent issues with financial aid awarding errors, including an audit plan to conduct compliance reviews on information pertaining to student eligibility and awards provided by institutions.

The compliance reviews include desk audits of selected institutions and programs to verify student eligibility and correct award amounts. If necessary, staff will perform on-site reviews to verify information and institutional processes.

Due to budget constraints, MDHE is still exploring the feasibility of modifying its student aid software platform to program additional automatic checks to identify potential errors in institutions' data entries.

2. Advantage Missouri

MDHE collaborated with MOHELA to address the issue of outstanding loan balances under the Advantage Missouri Program. MOHELA reviewed the files and provided updated outstanding loan balances for each of the roughly 1,300 borrowers, which MDHE then verified. The loan amounts were cancelled on June 8, 2017, and the affected parties were notified of the cancellation via a letter sent by MOHELA on behalf of MDHE.

3. Agreements for Student Aid Database Access

MDHE revised its access agreement to require a signature of the high school or college CEO, or CEO's documented designee for signature purposes. This process ensures the institution and its representative users are bound by confidentiality obligations contained in the agreements.

August 2016: Public Higher Education Funding and Affordability

MDHE plans to promulgate an administrative rule that would guide the HESFA compliance process. The rulemaking process would take approximately six months and would include comment opportunities for all institutions of higher education in Missouri.

MDHE continues to explore additional verification measures for tuition and fee data provided by institutions. Beginning this year, MDHE will check tuition and fee information published on the institutions' websites to ensure it is consistent with the data provided by the institutions.

Future Initiatives

MDHE is committed to continually evaluating its policies and processes to identify and mitigate audit risks and for better overall compliance with statutory requirements. Several initiatives are forthcoming, such as repetitive error identification in financial aid data input, developing guidance documents for institutions, and providing additional educational opportunities for interested parties.

RECOMMENDATION

This is an information item only.

NO ATTACHMENTS