December xx, 2005

Dr. Daniel:

We have completed a risk-based core business process audit of the Registration process, and a detailed report is attached for your review.

The objective of this audit was to provide assurance as to the effectiveness of the controls over the registration process that are relevant to ensuring compliance with policies and procedures and the economical and efficient use of resources.

The audit resulted in no recommendations considered significant to **University** operations. However, the audit report includes three recommendations to enhance efficiencies and consistency related to the advising and grade change functions. Management has reviewed the report and agreed to implement the recommendations.

Please let me know if you have any questions or comments resulting from this audit.

Toni Messer, CPA, CIA   Jennifer Rossberg
Director of Internal Audits   In-Charge Auditor

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TABLE OF CONTENTS

D r a f t

EXECUTIVE SUMMARY

Registration **Audit Report #R6xx**	**Responsible Party:** • Registrar	**Auditors Assigned:** • Jennifer Rossberg, Senior Auditor, In-Charge • Graduate Students in the Endorsed Internal Audit Program

Audit Objective: The objective of this audit was to provide assurance as to the effectiveness of the controls over the registration process that are relevant to ensuring compliance with policies and procedures and the economical and efficient use of resources.

Overall Risk Exposure: ☐ Low ☐ Moderate ☑ High	**Audit Conclusion :** ☐ Satisfactory ☑ Needs improvement ☐ Unsatisfactory

Audit Results: The audit resulted in no recommendations considered significant to University operations and three recommendations specific to the Registration process:

(1) ***Grade Change Policies Should Be Documented*** - We recommend that grade change procedures be documented to ensure all schools are following the same guidelines. An allowable period of time to make grade changes should be outlined, and the appropriate approvals should be documented. In addition, specific guidelines should be developed regarding acceptable reasons for grade changes. A higher authority should approve grade changes outside the acceptable guidelines.

(2) ***Enhance the Advising Structure*** - We recommend that a more centralized structure be established between the various advising offices and Student Affairs to ensure consistency of services and enhanced communication to students.

(3) ***Update the Procedures for the Petition for Incomplete Form*** - The "Petition for Incomplete" form should be updated and distributed to those involved in the process.

Conclusion: Based on the results of the audit work performed, we conclude that controls over the Registration process are generally effective. Implementation of the recommendations detailed in the report will enhance the efficiency of the advising process and the controls over grade changes.

BACKGROUND

During Fall 2006 UTD registered approximately 14,000 students, and during fiscal year 2005 processed over $76 million in tuition and fee payments.
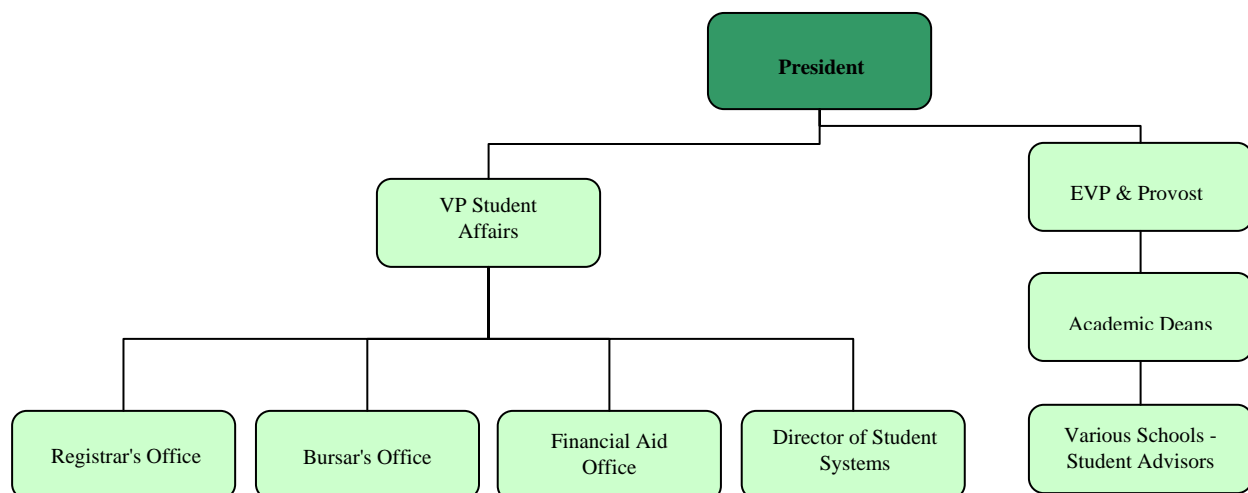
Registration at UTD is performed throughout the campus in various offices, including the Registrar, the Bursar, Financial Aid, and the advising offices in the various schools. The Registrar is responsible for registering students and maintaining their academic records. The Bursar is responsible for overseeing financial transactions such as the assessment and collection of tuition and fees, distribution of financial aid and scholarship checks, refund checks, payroll checks, petty cash reimbursements and departmental deposits. Financial Aid's mission is to provide students with federal, state and institutional financial aid assistance. Advisors are responsible for assisting students in designing an appropriate course of study that will satisfy requirements for graduation. Undergraduate advising is coordinated through the Dean of Undergraduate Studies, and graduate advising is handled via the Dean of Graduate Studies. Registration is processed via the Student Information System (SIS).

The impact of registering students at the University is significant. Student enrollment continues to rise each year, adding to the workload of all departments involved in this process. Therefore, it is imperative that the registration process is efficient and effective.
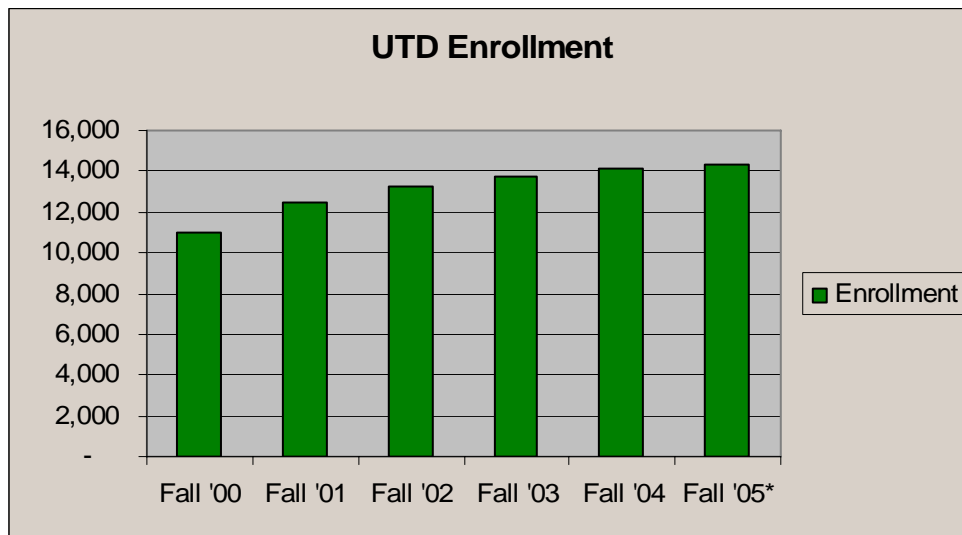
* Unofficial, enrollment total not yet finalized at the time of this report.

Following is an organization chart showing the reporting structure of the various offices involved in Registration.

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                              ┌─────────────┐
                              │  President  │
                              └──────┬──────┘
              ┌──────────────────────┴──────────────────┐
      ┌───────┴────────┐                          ┌──────┴──────┐
      │   VP Student   │                          │ EVP & Provost│
      │    Affairs     │                          └──────┬───────┘
      └───────┬────────┘                          ┌──────┴──────┐
              │                                    │ Academic Deans│
  ┌────────┬──┴─────┬──────────┐                  └──────┬───────┘
┌─┴──┐ ┌──┴──┐ ┌───┴───┐ ┌────┴────┐        ┌───────────┴──────┐
│Reg.│ │Burs.│ │Fin Aid│ │Dir Stud.│        │ Various Schools -│
└────┘ └─────┘ └───────┘ └─────────┘        │ Student Advisors │
                                             └──────────────────┘
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Organizational chart:
- President
  - VP Student Affairs
    - Registrar's Office
    - Bursar's Office
    - Financial Aid Office
    - Director of Student Systems
  - EVP & Provost
    - Academic Deans
      - Various Schools - Student Advisors

AUDIT OBJECTIVE

The objective of this audit was to provide assurance as to the effectiveness of the controls over the registration process that are relevant to ensuring compliance with policies and procedures and the economical and efficient use of resources.

SCOPE AND METHODOLOGY

As part of our Fiscal Year 2005 Audit Plan, Registration was selected as one of the core business process audits. The audit focused on the reliability and integrity of financial information and the efficient and economical use of resources. The scope of this audit was fiscal year 2005.

Where applicable, our examination was conducted in accordance with guidelines set forth in The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. The *Standards* set criteria for internal audit departments in the areas of independence, professional proficiency, scope and performance of audit work, and management of the internal auditing department. Our audit fieldwork concluded on December 14, 2005.

Specific audit procedures included, but were not limited to, the following:

- Interviewed personnel to gain an understanding of tuition calculations, advising, information system controls, and grade change procedures.
- Discussed risks associated with the registration process with responsible persons, and facilitated the preparation of detailed risk assessment documents.

- Reviewed applicable policies and procedures related to student records privacy, grade changes, transfer credits, and incomplete grades.
- Tested a sample of grade changes occurring during fiscal year 2005.
- Tested and reviewed procedures for assignment of incomplete grades.
- Created a survey regarding the registration process. Distributed the online survey to 2000 students and evaluated the results.
- Assessed the efficiencies of the registration process.
- Tested automated tuition calculations to determine if tuition, fees, and refunds were accurately assessed in compliance with State and UTD policies, procedures, and regulations.

AUDIT RESULTS AND MANAGEMENT'S RESPONSES

According to The U. T. System, a significant recommendation is one that may be material to operations, financial reporting, or legal compliance. This would include an internal control weakness that does not reduce the risk of irregularities, illegal acts, errors, inefficiencies, waste, ineffectiveness, or conflicts of interest to a reasonable low level. We noted *no* recommendations considered significant to University operations.

Our evaluation of the Registration process indicated that the following efficiencies currently exist:

- ➤ Online registration has improved the efficiency of the process.
- ➤ The Registrar's Office has documented detailed registration procedures.
- ➤ Training for Advisors has been developed and implemented.
- ➤ Tuition and fees calculations appear to be accurately assessed.

Overall, the survey results were positive and constructive. We shared the results of the survey with the Vice President for Student Affairs, the Registrar, the Director of Student Information Systems, and the Director of Financial Aid.

Opportunities to enhance effectiveness and efficiency of the Registration process were noted, as described below:

(1)   ***Grade Change Policies Should Be Documented***

Currently, UTD does not have documented grade change procedures. Without documented and consistent procedures, methods of making changes to a student's record could vary between schools and/or professors, providing inconsistent treatment to students and resulting in an increased risk of error or abuse.

During our testing, we noted that one student record included grade changes for coursework performed 30 years ago. For unusual circumstances such as this, the documented procedure should consider additional procedures, such as requiring multiple approvals, including approvals from schools other than the one from which the grade was obtained.

Our testing also resulted in nine of sixteen grade changes (56%) that were either supported by vague reasons or no reason at all.

Recommendation: We recommend that grade change procedures be documented to ensure all schools are following the same guidelines. An allowable period of time to make grade changes should be outlined, and the appropriate approvals should be documented. In addition, specific guidelines should be developed regarding acceptable reasons for grade changes.   A higher authority should approve grade changes outside the acceptable guidelines.

Management's Response and Action Plan:

Estimated Date of Implementation:

(2)   *__Enhance the Advising Structure__*

As part of our audit procedures, we interviewed advisors from six of the schools to determine their responsibilities and processes. We also asked them for input on the advising function at UTD and opportunities to enhance the process. In addition, we included questions relating to advising on the survey sent to students.

Currently, the advising offices are decentralized, residing in each of the schools at UTD, and reporting up through the respective Deans. There is not an established, indirect (dotted-line) reporting structure between the advising offices and the Student Affairs departments involved in the Registration Process.

Due to this decentralized structure, the services provided by advisors are always not consistent. While the Registrar has developed training for all advisors, not all schools require their advisors to attend. Therefore, students may receive inconsistent service or incorrect information. The advisors we interviewed suggested that the communication process should be improved. Each advisor interviewed stated that they are not always informed of registration and policy updates, and having a more centralized, coordinated process would help streamline the advising process.

Recommendation: We recommend that a more centralized structure be established between the various advising offices and Student Affairs to ensure consistency of services and enhanced communication to students.

Management's Response and Action Plan:

Estimated Date of Implementation:

(3)   **Update the Procedures for the Petition for Incomplete Form**

The current procedure for incomplete grades requires that instructors assigning an incomplete must submit the petition/documentation form to the Academic Dean of Undergraduate Studies (ADU) of the school offering the course. This procedure is not currently being followed consistently.   In addition, the procedure states that an incomplete grade must be completed within the time specified by the instructor, not to exceed eight weeks from the first day of the subsequent long semester.

Only one of the twelve incompletes we tested had the full "Petition for Incomplete" form on file and was completed within the timeframe required. Of the remaining eleven:

- Five (42%) were not supported by an Incomplete Petition form.
- Three (25%) had a completed Incomplete Petition form; however, the form was completed by the professor and not signed by the student as required by the form.
- Two (17%) were assigned by the academic department rather than the professor.
- One (8%) related to an incomplete assigned over thirty years prior.

Reasons for not having completed forms on file included the relatively new online grade submission procedure as well as allowing online submissions by students.

Recommendation: The "Petition for Incomplete" form should be updated and distributed to those involved in the process.

Management's Response and Action Plan:

Estimated Date of Implementation:

CONCLUSION

Based on the results of the audit work performed, we conclude that controls over the Registration process are generally effective. Implementation of the recommendations detailed in the report will enhance the efficiency of the advising process and the controls over grade changes.

We appreciate the cooperation received from the management and staff in the Student Affairs Offices of the Registrar and Bursar, the many advising offices, and Information Resources.