

Management's Response to Auditor's Findings:
Summary Schedule of Prior Audit Findings and
Corrective Action Plan
June 30, 2020

Prepared by Management of
Western Oregon University

Summary Schedule of Prior Audit Findings

Yellow Book

No Yellow Book findings.

Single Audit

Finding 2019-001

Federal Agency Name: Department of Education

Program Name: Student Financial Aid

CFDA #: 84.007, 84.003, 84.063, 84.038, 84.268, 84.379

Initial Fiscal Year Finding Occurred: 2018

Finding Summary: During testing of students that were disbursed financial aid during the 2018-10 school year, there were two instances in which the students' withdrawal date per the Return of Title IV Aid (R2T4) calculation worksheets did not match the dates reported to NSLDS.

Status: Finding not corrected in the current year. See finding 2020-001.

Finding 2019-002

Federal Agency Name: Department of Education

Program Name: Student Financial Aid

CFDA #: 84.007, 84.003, 84.063, 84.038, 84.268, 84.379, 84.326

Initial Fiscal Year Finding Occurred: 2019

Finding Summary: During testing over the cash draw down process, it was noted that there was no independent review of the cash drawdowns prior to submitting for reimbursement.

Status: Finding not corrected in the current year. See finding 2020-002.

Finding 2019-003

Federal Agency Name: Department of Education

Program Name: Special Education Technical Assistance for College and Higher Education Grants

CFDA #: 84.326

Initial Fiscal Year Finding Occurred: 2019

Finding Summary: During testing over procurement and subrecipients, it was noted that there was no process in place to verify that entities in which the University contracts with, whether through a vendor relationship or a subrecipient relationship, were not suspended or debarred.

Status: Finding corrected in the current year.

Finding 2019-004

Federal Agency Name: Department of Education

Program Name: Special Education Technical Assistance for College and Higher Education Grants

CFDA #: 84.326

Initial Fiscal Year Finding Occurred: 2019

Finding Summary: During testing over allowable costs, there was one cost that was submitted for reimbursement incorrectly.

Status: Finding corrected in the current year.

Finding 2019-005

Federal Agency Name: Department of Education

Program Name: Training Interpreters for Individuals who are Deaf and Individuals who are Deaf-Blind

CFDA #: 84.160

Initial Fiscal Year Finding Occurred: 2019

Finding Summary: The University was notified that they were inappropriately using unrecovered indirect costs as part of their cost sharing commitment. Under 34 CFR 75.562(c), an indirect cost reimbursement on a training grant is limited to the recipient's actual indirect costs, as determined by its negotiated indirect cost rate agreement, or eight percent of a modified total direct cost base, whichever amount is less. Indirect costs in excess of the limit may not be charged directly, used to satisfy matching or cost sharing requirements, or charged to another federal award.

Status: Finding corrected in the current year.

Corrective Action Plan

Yellow Book

No yellow book findings noted in the current year.

Single Audit

Finding 2020-001

Federal Agency Name: Department of Education

Program Name: Student Financial Aid Cluster

CFDA #: 84.007, 84.033, 84.063, 84.038, 84.268, 84.379

Special Tests and Provisions: NSLDS Withdrawal Date

Significant Deficiency in Internal Controls over Compliance

Finding Summary: During the testing of students that were disbursed financial aid during the 2019-20 school year, there were five instances in which the student's status change did not match the dates reported to NSLDS.

Responsible Individuals: Director of Financial Aid.

Corrective Action Plan: Management agrees with this finding. The Assistant Director of Financial Aid process official withdrawals from the university and uses only one date—namely, the date that was originally reported to the National Student Clearinghouse (NSC) from the Registrar, who reports the same date to NSLDS.

Unofficial withdrawal dates are added to NSLDS by the Financial Aid Office but sometimes overwritten by the Registrar's Office. The Financial Aid Office typically uses a course's last day of attendance reported by faculty to determine the student's last day of attendance. The Registrar's Office reporting after the Financial Aid Office at the end of the term and overwriting the withdrawal date has resulted in this finding.

The Office of Financial Aid will design a process with the Registrar to ensure that, where exceptions between two dates occur, the Office of Financial Aid will report to the Registrar that the date in the National Student Clearinghouse must be updated.

Anticipated Completion Date: June 1, 2021.

Finding 2020-002

Federal Agency Name: Department of Education

Program Name: Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities

CFDA #: 84.326

Cash Management

Significant Deficiency in Internal Controls over Compliance

Finding Summary: During the testing over the cash draw down process, it was noted that there was no independent review of one of the five sampled draws prior to submitting for reimbursement. The University implemented a process in October 2019 for an independent review of cash draws; however, for the item noted, this was drawn down prior to the updated process.

Responsible Individuals: Controller, Office of Accounting and Business Services; Post-Award Administrator, Sponsored Projects Office

Corrective Action Plan: Management agrees with this finding. While the Department of Education considers this finding resolved in a letter dated August 12, 2020, the university did not implement the corrective action plan, as written in the 2019 single audit, until September 2019 instead of July 2019. The corrective action plan has since been implemented, and management considers this finding resolved.

Anticipated Completion Date: Completed on September 1, 2019.

Finding 2020-003

Federal Agency Name: Department of Education

Program Name: COVID – 19: CARES Act – Higher Education Emergency Relief Fund - Institutional

CFDA #: 84.326

Cash Management

Other Noncompliance

Finding Summary: During the testing of compliance with Cash Management, the institutional funds were all drawn down in May, which was prior to when the actual cash outlay was associated with the institutional funds.

Responsible Individuals: Controller, Office of Accounting and Business Services.

Corrective Action Plan: Management disagrees with this finding. The Department of Education, Office of Postsecondary Education held a webinar with other institutions of higher education on June 23, 2020. Officials at the Department recognized the urgency in some IHEs to draw down the entire award to defray rapidly mounting losses and extraordinary expenditures in response to the coronavirus pandemic. Officials, prompted by questions by IHEs, provided preliminary guidance that while those institutions may draw down their entire awards before incurring the expenditures, the expenditures must be consistent with the lawful provisions of the Higher Education Emergency Relief Fund in order to be allowable for reimbursement. Moreover, officials noted that IHEs must return any interest that was earned on the awards prior to or at the grant's administrative close-out.

Management will adjust accounting as preliminary guidance changes and will return interest upon close-out.

Anticipated Completion Date: Not applicable.

Finding 2020-004

Federal Agency Name: Department of Education

Program Name: COVID – 19: CARES Act – Higher Education Emergency Relief Fund - Institutional

CFDA #: 84.326

Allowable Costs/Cost Principles

Other Noncompliance

Finding Summary: The \$1.8M in funds that were reported on the Schedule of Expenditures of Federal Awards under the Higher Education Emergency Relief Funds for the institutional piece related to faculty payroll for the Spring semester when the University went remote through the end of the term due to "changes in delivery of instruction."

Responsible Individuals: Controller, Office of Accounting and Business Services.

Corrective Action Plan: Management disagrees with this finding. The Higher Education Emergency Relief Fund was a unique and unusual appropriation in the CARES Act (Public Law No. 116-136). Management attended the webinar held by DOE, OPE on June 23, 2020, where DOE staff provided preliminary guidance that reimbursement may be applicable to university payrolls. Furthermore, management followed-up with the Department of Education in an official written communication on June 25, 2020, confirming the allowability to reimbursing faculty salaries due to the disruption and modality switch. Officials at the Department made written representations on June 29, 2020, to management on the allowability of those expenditures.

As preliminary guidance changes, management will adjust accounting accordingly.

Anticipated Completion Date: Not applicable.