



## Demystifying the Title IV Audit or Program Review

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## Agenda

- Onsite Review Preparation
- Responding to a Preliminary Audit Determination
- Proactive Preparedness to Avoid Findings
- Did You Know...
- Questions?

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## I've been selected for a Program Review...

Now what?

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DON'T PANIC!

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### Preparation for Onsite Visit

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### Preparation for Onsite Visit

- Don't panic!
- Communication
  - Prepare and get organized
  - Assign the right resources to the reviewers
  - Take the opportunity to develop the relationship now
  - Gain trust

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### Preparation for Onsite Visit

- Organize student files
- Pull policies and procedures
- Have a workspace / meeting area and photocopier available

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### Responding to a Preliminary Audit Determination

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### Project Management

- Responding to an audit or program review is a project.
- A project is a temporary endeavor undertaken to achieve a unique goal.

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### Project Management

- How are we going to get this done?
- Demystify!
- Shine a light on the unknowns
  - Scope
  - Effort
  - Resources
  - Deadlines

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### Project Management

- What do you have to do?
- Who do you have available to do it?
- How long do you have to deliver?

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### Project Management

**Example:**  
 5,000 student files to review  
 x 20 minutes of prep / review per student file  
 x 4 resources with 50% availability  
 = 21 weeks of work

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## Project Management

– Note: This number may not be within the mandated deadline for the submission of your response.

– What do you do? Set expectations and adjust.

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## Project Management

*Tip:*

**Ask questions early.**

It may take longer than expected to get your answer back...

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## Develop Goodwill

- Increase understanding and set expectations
  - Transparency
  - Gain flexibility
- Be forthcoming and honest
- Remember: Reviewers have a job to do as well
  - Formatting of the response
  - Submission of the response before deadlines

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## Develop Goodwill

*Tip:*

Consider putting together a presentation for the reviewers that walks them through the findings, results, and justifications for the reasons you approached the responses the way you did.

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## Response Considerations

- Considerations
  - Reviewers are not infallible
  - Don't be afraid to ask, but justify your request
- Research your options
  - Extensions
  - Reduced / eliminated findings
  - Potential student samples (projection of error rates)
  - Estimated Loss Formula for loans

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## Response Considerations

- Legal Counsel
  - Industry experience and legal precedent
  - Legitimize /vet requests before submission
  - Produce and submit formal communications on behalf of the institution
  - Not meant to be an aggressive action or litigious

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### Top Findings

- Any finding you had last year – avoid repeat findings!
- Verification – documentation and signatures, conflicting information, Professional Judgment documentation and consistency

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### Top Findings

- Pell – incorrectly awarded Pell grants, incorporation of ISIR updates, LEU remaining, crossover terms, eligible amount based on credits enrolled
- Direct Loans – over-awarded Subsidized DL based on Remaining Need, classification of Need Based / Non-Need Based funds

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### Top Findings

- SAP – qualitative and quantitative compliance, consistent application, SAP Appeal (Probation / Suspension)
- R2T4s – timing and deadlines, LDA and DOD, percent earned, classification of Institutional Charges and Inadvertent Overpayments

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### Top Findings

*Tip:*

You are allowed to work with the reviewers to fix issues while they are on site.

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### Best Practices for Preventing Findings

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### Documentation & Consistency

- Documentation
  - Compliant Policies and Procedures Manual that is accessible to operational resources
  - Complete student files with appropriate notations
  - Audit trail of actions taken and their reasons
- Consistency
  - Across campuses and within departments
  - Across student populations and terms

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### Voluntary Pre-Emptive Reviews

- Perform preliminary interim assessments (sample your records for QA review regularly).
- Reviewers appreciate proactive approaches to finding and fixing issues.
- Do right by the student.

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### Voluntary Pre-Emptive Reviews

- Why? What is the alternative?
  - Returns, penalties, heightened cash monitoring, loss of Title IV funding
  - Voluntary reviews can be burdensome (time and resources), but it can be better to bite the bullet now rather than later.

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### Did You Know...

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### Did You Know...

- You may be responsible for returning grant funds to the Department.
- You may be responsible for refunds / returns of loan funds to the student and/or servicer (which may have substantial logistical difficulties).

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### Did You Know...

- You may be responsible for engaging an Independent Public Accountant (IPA) to audit your results before you submit them.
  - Both your results, and the IPA's audit opinion, are due by the deadline (effectively shortening your deadline).
- You are allowed to consult with a third-party / external partner in order to assist you with the response effort.
  - Assist with operational resource constraints
  - Assist with specific knowledge, project management, communication

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### Questions?

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