



Item: AF: I-1c

AUDIT AND FINANCE COMMITTEE

Wednesday, October 21, 2009

SUBJECT: REVIEW OF AUDITS: FAU 08/09-5 AUDIT OF STUDENT FEES FOR THE FALL 2008 SEMESTER

PROPOSED COMMITTEE ACTION

Information Only.

BACKGROUND INFORMATION

Our objectives were to evaluate management's procedures for periodic monitoring of matriculation and local fee revenues, as well as the processes involved in fee assessment and revenue recognition in the Banner Finance system.

No recommendations were made as a result of this audit

IMPLEMENTATION PLAN/DATE

Not Applicable

FISCAL IMPLICATIONS

Not Applicable.

Supporting Documentation: Audit Report FAU 08/09-5

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Office of Inspector General

Audit of Student Fees Fall 2008 Semester

SCOPE AND OBJECTIVES

In accordance with the University's Internal Audit Plan for fiscal year 2008-09, we have conducted an audit of student fees at Florida Atlantic University for the Fall 2008 Semester. The primary objectives of this audit were to determine:

- The adequacy of management's procedures for periodic monitoring of student matriculation/out-of-state tuition and local fee revenues; and,
- Proper assessment and recording of the aforementioned fees in the *Banner Students* system, and revenue recognition in the *Banner Finance* system.

We obtained an understanding of the internal control environment pertaining to student fees by interviewing key university personnel, and reviewing applicable laws, rules, regulations, policies, and procedures. Testwork to achieve the audit objectives primarily consisted of a detailed review of a periodic student fee analytical report prepared by the University Budget Office during the audit period, and recalculation of student fees assessed for a sample of graduate and undergraduate in-state/out-of-state students enrolled for courses during the fall 2008 semester.

Populations, sample sizes, and selection methods were determined based on our evaluation of internal controls, our assessment of audit risk, the availability of pertinent University records, and other factors including auditor judgment.

We conducted our audit in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

BACKGROUND

Student matriculation/out-of-state tuition and local fees are assessed on a credit hour basis, and are systematically computed based on several factors including the number of enrolled credit hours, the level of the enrolled courses, and the student's residency status. For the fall 2008 semester, the following tuition and fees per credit hour were in effect:

<u>Fee Type</u>	<u>Undergraduate In-State</u>	<u>Undergraduate Out-of-State</u>	<u>Graduate In-State</u>	<u>Graduate Out-of-State</u>
Matriculation Fee	\$82.03	\$82.03	\$223.24	\$223.24
Non-Resident Fee	\$ -	\$435.71	\$ -	\$614.73
Financial Aid Fee	\$4.02	\$25.87	\$11.15	\$41.89
Capital Improvement Fee	\$2.44	\$2.44	\$2.44	\$2.44
Building Fee	\$2.32	\$2.32	\$2.32	\$2.32
Activity & Service Fee	\$10.00	\$10.00	\$10.00	\$10.00
Health Fee	\$7.50	\$7.50	\$7.50	\$7.50
Athletic Fee	\$13.75	\$13.75	\$13.75	\$13.75
<i>Total Per Credit Hour</i>	<i>\$122.06</i>	<i>\$579.62</i>	<i>\$270.40</i>	<i>\$915.87</i>

At the point in time at which a student's course registration information is entered to *Banner Students*, the system will automatically compute the applicable fees, assign the various charges to the appropriate detail codes, and post the codes and dollar amounts to the student's account. The system will simultaneously post the charges as part of batch totals - on an accrual basis - via interface to the *Banner Finance* system based on the fee allocation percentages and *Banner* accounting codes linked to the applicable detail codes. Prior to the implementation of *Banner Students* in November 2007, student fee revenues had been recognized on a cash-received basis.

Our review of the University Budget Office's quarterly student fee trust fund analysis report (as of 9/15/08) prepared during the fall 2008 semester, indicated a total (pre-waiver) tuition fee budget of approximately \$77 million for fiscal year 2008/09, and total (pre-waiver) tuition fee revenue of approximately \$44.5 million booked for the year-to-date, i.e., as of 9/15/08. The aforementioned tuition fee budget was based on actual/projected enrollments of 591,855 credit hours for in-state students, and 42,729 credit hours for out-of-state students, for the summer 2008, fall 2008, and spring 2009 semesters.

Prior Audit Recommendations

Our examination generally includes a follow-up on findings and recommendations of prior internal audits, where the subjects of such findings are applicable to the scope of the current audit.

Within the past three fiscal years, there have not been any internal audits of student fees. Accordingly, a follow-up on prior audit recommendations is not applicable.

CONCLUSION

Based on our observations, tests performed, and interviews with key managers, we believe that management has established appropriate practices and procedures to facilitate proper monitoring and accountability for student matriculation/out-of-state tuition and local fees. There were no reportable findings or recommendations as a result of this audit.

We wish to thank the staffs of the Controller's Office, Administrative & Financial Technical Support Services (AFTSS), and the University Budget Office for their cooperation and assistance which contributed to the successful completion of this audit.



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Inspector General

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