FINANCIAL AID GUIDANCE MEMO

REFERENCE:	**FA 19-008**
TOPIC:	**FINANCIAL AID AUDITS**
AUTHOR:	**ALYSSA OOTEN, FINANCIAL AID AUDITOR**
DATE:	**24 SEPTEMBER 2018**
RELEVANT STATUTE:	**OHIO REVISED CODE 3333.04 AND 3333.047**

During calendar year 2019, our office will audit state awards disbursed during the 2017-2018 academic year for *select Ohio colleges and universities and select Pennsylvania colleges and universities.* We plan to audit the following awards: Ohio College Opportunity Grant, Ohio War Orphans Scholarship, Ohio Safety Officers College Memorial Fund, Nurse Education Assistance Loan Program, Choose Ohio First Scholarship, and Ohio National Guard Scholarship.

Degree and Enrollment Audits
ODHE has typically performed these audits in conjunction with the financial aid audits, utilizing the financial aid audit student sample, plus additional samples of students. However, beginning in academic year 2016-2017, we updated our audit process to include risk assessments, data analytics, audit surveys/internal control questionnaires and course inventory audits. Therefore, we will no longer request additional student samples for enrollment or degree audits unless the institution has been deemed high risk. If exceptions are noted through the analytical review, audit surveys/internal control questionnaires and course inventory audits, or if an institution is deemed high risk, the HEI Liaison will be contacted by the enrollment auditor and the institution may once again be subject to a paper audit. **Further guidance from the Enrollment Auditor will be forthcoming.**

Financial Aid Audits
All Ohio and Pennsylvania institutions with financial aid errors based on 2015-2016 audit results will be audited during the 2019 calendar year. Ohio and Pennsylvania institutions with zero errors found during the 2015-2016 audit results will not automatically be audited in calendar year 2019. Additional institutions to be audited will be chosen by random selection in order to maintain our goals of auditing a set number of institutions yearly. Every institution will be audited *at least* once every three years. This three-year time period began in calendar year 2016. Following is a timeline that should be helpful in preparation for said audits:

October 2018   Initial audit letter will be sent to campus president/director and copied to financial aid director/contact **by email**. This letter will be signed by our Vice Chancellor of Finance and Data Management and will assign the 2019 calendar month to each institution for its audit. We can work with schools if changes to the schedule need to be made. Please make sure that all contact information is up to date to assure timely processing.

6 Weeks Before Audit The financial aid office at the institution will receive an official request through the HEI Secure File Transfer Site with the names and social security numbers (chosen at random) of students selected in our audit sample. The sample size will take into consideration the number of errors during the 2015-2016 academic year audits for both Ohio and Pennsylvania institutions (see chart below for number of students to be audited). A follow-up email with audit instructions will be sent to the financial aid director/contact. ***Confirmation of receipt of this initial request is encouraged***.

Documentation   For the financial aid audits, documentation including, but not limited to, the following will be requested:

- admissions application (supplemental documentation may be accepted upon prior approval)
- verification of selective service registration (male students only; if verification is conducted on the ISIR then no additional documentation is needed)
- full academic transcript for student's entire enrollment
- ISIR in which aid was paid on
- detailed student account statement, ledger, or bill including documentation showing all instructional fees for the current and prior terms
- copy of payment plan or installment contract, if applicable
- tuition and fees schedule concurrent with the enrollment period
- academic calendar (including term codes)
- course catalog

This documentation will be required for the term(s) and academic year under audit (2017-2018) and will need to be submitted in **ascending numeric order by social security number as indicated in the financial aid sample provided.**

All documents submitted will be shredded upon completion of audit. Do not send original student records as they will not be returned to the institution.

In addition, the financial aid HEI liaison at each institution will be sent a HEI User Verification Form to complete and return. It is the responsibility of the liaison to periodically review their employees' user access and determine if that system access is appropriate.

Once Submitted   Our office will perform the audit and present the financial aid office at the institution with our initial findings. Initial findings are not final. Additional documentation may be required to resolve initial discrepancies prior to finalization. If the percentage of anomalies is less than 5% (category or summary), the audit will be finalized. If the percentage of anomalies (category or summary) is equal to or greater than 5%, an additional number of student records will be requested (double the original audit sample size). After this additional review, if the percentage of anomalies is less than 5%, the audit will be finalized. If the percentage of anomalies is still 5% or greater, an audit of ***all remaining*** student records for that academic year will commence.

Audit Finalized   All audit refunds are due within 30 days of the final audit discrepancy report to avoid the accrual of interest. If after 45 days the refund check is not submitted, the amount owed will be turned over to the Ohio Attorney General's Office for collection (see Ohio Revised Code 131.02 - http://codes.ohio.gov/orc/131).

Once an institution makes a payment of any refund due, a final letter closing the financial aid audit will be sent to the financial aid director/contact and copied to the campus president/director.

Throughout the audit process, our staff will remain flexible and willing to work with all schools to allow ample time and opportunity for documentation and dialogue. Communication between the financial aid auditor and the institution is critical for the timeliness of audit collection and review.

Financial aid personnel should direct questions to the financial aid auditor, Alyssa Ooten, by phone at 614.387.1013, or by email at aooten@highered.ohio.gov.

2016-2017 Review of Student Records

All Institutions	
% OF ANOMALIES FROM 14-15	**# OF FINANCIAL AID STUDENTS REVIEWED**
0%	Up to 100
1-3%	Up to 150
Over 3%	Up to 200