UNIVERSITY OF HOUSTON SYSTEM

INTERNAL AUDIT REPORT

UNIVERSITY OF HOUSTON

DIVISION OF STUDENT AFFAIRS AND ENROLLMENT SERVICES DEPARTMENTAL REVIEWS

REPORT NO. AR2019-20

UNIVERSITY OF HOUSTON SYSTEM
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MEMORANDUM

TO: Mr. Peter K. Taaffe
Chair, Audit and Compliance Committee

Dr. Renu Khator
Chancellor/President, UHS/UH

FROM: Don F. Guyton
Chief Audit Executive

DATE: April 25, 2019

SUBJ: Internal Audit Report – UH Division of Student Affairs and Enrollment Services, Departmental Reviews

I have attached for your review the final draft of the above referenced internal audit report. This report has been distributed to/discussed with key personnel of the University of Houston and University of Houston System. This report is summarized as follows:

Executive Summary:

The objective of the Departmental Review is to determine whether departments are conducting financial and administrative activities in compliance with university policies. We performed six departmental reviews in the Division of Student Affairs and Enrollment Services. We conducted interviews, reviewed documentation, and performed other audit procedures, as necessary, in testing compliance with various policies for each compliance area. We noted no matters that we considered to be significant risk exposures and control issues. We noted that the Division was not in compliance with certain policies. Management informed us that it would take the necessary actions in order to help prevent reoccurrences of similar instances of non-compliance with university policies.

This audit report is scheduled to be included in the agenda materials for the May 16, 2019, meeting of the Audit and Compliance Committee of the Board of Regents. Please let me know if you have any questions.

Attachment

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

UNIVERSITY OF HOUSTON
DIVISION OF STUDENT AFFAIRS AND ENROLLMENT SERVICES
DEPARTMENTAL REVIEWS

The objective of the Departmental Review is to determine whether departments are conducting financial and administrative activities in compliance with university policies. We performed six departmental reviews in the Division of Student Affairs and Enrollment Services. We conducted interviews, reviewed documentation, and performed other audit procedures, as necessary, in testing compliance with various policies for each compliance area. We noted no matters that we considered to be significant risk exposures and control issues. We noted that the Division was not in compliance with certain policies. Management informed us that it would take the necessary actions in order to help prevent reoccurrences of similar instances of non-compliance with university policies.

The attachments listed below contain additional information related to the departmental reviews and the Division:

- Compliance Matrix
- Instances of Non-Compliance
- Background
- Financial Summary

Don F. Guyton
Chief Audit Executive
March 29, 2019

University of Houston System
Internal Auditing Department

University of Houston
Division of Student Affairs and Enrollment Services
Departmental Reviews

COMPLIANCE MATRIX						
Compliance Area	**Central Business Office**	**Admissions and Scholarships and Financial Aid**	**Centers**	**Enrollment Services**	**Student Housing and Residential Life**	**Student Services**
Management Oversight	✓	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Policies, Procedures, Required Training, And Reporting	✓	✓	**(1)**	✓	**(1)**	**(1)**
Cost Center Management	✓	✓	✓	✓	✓	✓
Payroll	✓	✓	✓	✓	**(2)**	✓
Human Resources	✓	✓	✓	✓	✓	✓
Change Funds And Cash Receipts	**N/A**	✓	✓	✓	✓	**(2)**
Procurement And Travel Cards	✓	✓	✓	✓	✓	✓
Departmental Expenses	✓	✓	✓	✓	✓	✓
Contract Administration	**N/A**	✓	✓	✓	✓	✓
Property Management	✓	✓	✓	**(1)**	✓	**(2)**
Scholarships	**N/A**	**N/A**	✓	**N/A**	**N/A**	✓
Research	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

✓ Fully Complies
ϴ Opportunity for Improvement
( ) Number of Instances of Non-Compliance
N/A Not Applicable

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

UNIVERSITY OF HOUSTON
DIVISION OF STUDENT AFFAIRS AND ENROLLMENT SERVICES
DEPARTMENTAL REVIEWS
INSTANCES OF NON-COMPLIANCE

We brought the following instances of non-compliance to management's attention in order that it could take appropriate action. Management informed us that it would take the necessary actions in order to help prevent reoccurrences of similar instances of non-compliance with university policies.

CENTERS

Policies, Procedures, Required Training and Reporting

- Role-based training was not completed by all applicable employees.

ENROLLMENT SERVICES

Property Management

- An annual inventory was not completed timely.

STUDENT HOUSING AND RESIDENTIAL LIFE

Policies, Procedures, Required Training and Reporting

- Mandatory training was not completed by all applicable employees.

Payroll

- An employee was not clocking in and out to record time worked.
- Payroll verification reports were not adequately reviewed.

STUDENT SERVICES

Policies, Procedures, Required Training and Reporting

- Mandatory training was not completed by all applicable employees.

Change Funds and Cash Receipts

- A cash receipt was not deposited timely.
- The current version of the Cash Deposit Summary Form is not being used.

Property Management

- Annual inventories were not completed timely.
- Request for Authority to Remove Equipment from Campus forms were not renewed timely.

University of Houston System
Internal Auditing Department

University of Houston
Division of Student Affairs and Enrollment Services
Background Information

Background provided by the Division:

The mission of the Division of Student Affairs and Enrollment Services (DSAES) is to cultivate an environment that facilitates student success through learning, discovery, and engagement. The DSAES will provide a nationally acclaimed student experience that results in a valuable impact on persistence and graduation. The DSAES is committed to an ethic of care, including a commitment to civility and individual growth and learning, while holding firm and true to our core values. The 29 departments within the division focus on five areas for students: get involved, stay healthy, live on campus, get support and take charge while enrolled at the University of Houston.

Below are some 2017-2018 highlights of division-wide accomplishments:

- Developed and created a new five-year division strategic plan, "Spark The Power," in 2017-2018 that begins this year and concludes in 2023.
- Revised the Housing Master Plan.
- Enhanced collaboration and synergy across the UH system.
- Improved student satisfaction in the areas of sense of belonging, student involvement and campus event and/or traditions.
- Enhanced diversity among faculty/staff.
- Completed plans for student and enrollment services at UH Sugar Land and UH Katy.
- Met enrollment expectations and show progress toward long-term goals.
- Began construction of the Quadrangle Replacement Project
- Supported a successful SACS site visit.

The DSAES helps students get involved on campus to better develop leadership skills, character, and discipline; and to create global citizens who are ready to contribute to the world:

- The Center for Fraternity and Sorority Life hosted the inaugural Fraternal Leadership Conference and brought together 97 Greek leaders for a day-long leadership experience.
- For the third year in a row, the University of Houston was selected as one of less than 100 institutions to be a 2018-2019 NASPA Lead Initiative Institution. This designation was based on current civic engagement work, and the areas of institutional focus for the coming year. Being a member of this group provides us with access to a network of colleges and universities with a deep commitment to promoting civic Learning and democratic engagement opportunities for the students, campus, and community.

- Students logged 10,560 volunteer hours. At the end of FY18, 15,605 hours were logged in Get Involved, a 47.8 percent increase from last year. Based on the Independent Sector, the economic value of volunteer hours logged during FY18 was $376,704.70. Seven students logged 250+ hours during FY18, earning the gold level President's Volunteer Service Award, a 600 percent increase from the one student who earned gold during FY17.
- Media services expanded its services to include Podcasts and have created new opportunities for departments and student organizations to produce live or recorded content for streaming via web, leading to a $9,309 increase in revenue.
- Student Center facilities welcomed a total of 3,870,707 individuals–students, staff, faculty, and university guests—who utilized the Student Centers in some form over the past year.

The DSAES offers programs and services that address mind, body, and spirit. Our students have many fitness and athletic options to explore and have access to excellent health care services:

- Personal training, group exercise participation, and involvement in registered activities jumped 265 percent, largely due to the creation of the "Fit for Hire" program, as well as the state-wide fitness event, TexFit, that was hosted on campus in February 2018.
- A major turning point in Counseling and Psychological Services delivery was initiating a walk-in service model for new clients and students in crisis. Combined with after-hours crisis phone coverage from ProtoCall, students have 24/7 walk-in or phone-based crisis services. That has resulted in several important developments, including simplification in how students access services, increased efficiency in operations, and substantial increases in student contact and utilization.
- Wellness Participation numbers continued to trend upwards, rising 12.6 percent from 2017 especially with new programming and events like "Fresh Check Day", "Relaxation Station", and "Wellness For The Health of It".

Living in a residence hall provides access to many service and resources, as well as the support to focus on academics and the experience of being a part of a diverse community:

- The retention rate for first-time in college (FTIC) students continued at 86 percent for the past four years and remained higher than the university one-year retention rate for the second year in a row. Additionally, the average GPA of all residential students increased to 3.00.
- On-campus FTICs graduate in four years at higher rates than the all-UH FTICs and commuter FTICs. This has been the case for four consecutive FTIC cohorts.
- Each fall, Student Housing and Residential Life (SHRL) distributes the Skyfactor Benchworks Satisfaction Survey. SHRL results are compared to six peer institutions, including other Texas public institutions and/or Urban 13 schools. SHRL ranked 1 out of 7 in "Overall Satisfaction", "Overall Learning", and "Overall Program Effectiveness" compared to our Select Six peer institutions.

The DSAES provides opportunities for students to achieve their goals by offering services that complement their academic experiences. We support students' general needs that provide a foundation for academic and personal success:

- The Children's Learning Center (CLC) was awarded a four-year grant of $558,998 annually from the US Department of Education from 2018 to 2022. The Child Care Access Means Parents In School grant (CCAMPIS) — is a highly competitive grant that supports the participation of low-income parents in postsecondary education through the provision of campus-based child care services. With the CCAMPIS grant, CLC is able to provide child care tuition assistance to eligible CLC student parents, reducing their costs by 40 to 60 percent.
- The Center for Diversity and Inclusion experienced a 350 percent increase in the number of students that received the RISE Diversity Leadership Certificate. Additionally, 95 percent of awardees that were surveyed stated that they gained practical skills that they can apply to their role as a student and saw value in the topics covered during workshops and the capstone experience.
- Cougars in Recovery successfully hosted the Association of Recovery in Higher Education 9th Annual National Collegiate Recovery Conference over the summer that brought 650+ individuals from all over the country to the UH campus.
- The Dean of Students processed $53,870 of emergency loan requests during the fiscal year.
- More LGBTQ students are receiving support and student development services, indicated by a 57 percent increase in engagement since 2016, and also indicates more of the general university population is receiving information on how to be inclusive of the LGBTQ community.
- University Career Services hosted inaugural events and opportunities for students seeking employment, including a first-annual College of Liberal Arts and Social Sciences Career Fair, a Major and Career Exploration Week, a new Employer Board, and, in collaboration with the Graduate School, co-facilitated training for the 3rd Annual Graduate Research and Scholarship Projects Day (GRaSP).
- A grant from the Coca-Cola Foundation helps first generation college students at the University of Houston by preventing minor setbacks that have the possibility of becoming major obstacles. The 40 Coca-Cola Scholars have an average 3.0 GPA and additionally, a 97 percent retention rate.
- Veteran students who engage with UH Veterans Services consistently achieved higher grade point averages, rising from 2.9 in 2016 to 3.01 in 2017.
- The Women and Gender Resource Center led a UH Title IX Reporter training planning committee. Additionally, the Director served on the training implementation team, and participated in facilitating over 70 sessions to train over 8,000 UH staff and faculty.

The DSAES supports prospective and admitted students through a variety of resources and touch points throughout their college life-cycle that lead to retention and timely graduation:

- We welcomed the largest freshman and transfer classes in UH history despite the devastating community impact of Hurricane Harvey, the university was able to achieve an increase in new student enrollment for Fall 2017.

- The Enrollment Services Communication & Marketing Department was awarded two Crystal Awards from the American Marketing Association as well as two Bronze Quill Awards for Excellence.
- Through collaboration with the Office of the Provost, the Graduate School, academic advisors, the Office of Scholarships and Financial Aid, and the Office of the University Registrar, Integrated Enrollment Services was able to keep 209 students enrolled for the Fall 2017 semester through counseling students into mini-session classes, later session classes, and/or moving to online classes and connecting students to financial resources and support.
- As the Fall 2017 semester began, the Office of Scholarships and Financial Aid was tasked with administering emergency aid to students impacted by Hurricane Harvey. In the immediate aftermath of the hurricane, the division created the Cougar Emergency Fund and awarded $1,195,300 in total aid to 582 students affected by the catastrophic event. Of the 582 total recipients, 44 graduated in Fall 2017 leaving 538 students who could return for Spring 2018, 512 recipients returned for the Spring semester, a 95% retention rate from Fall 2017 to Spring 2018.

Budget/Financial Summary:

During fiscal year 2019, with a staff of 432 FTE, the Division administered 600 cost centers with an overall operating budget of $171,053,434. The operating budget does not include federal financial aid.

The following table presents the fund balance reconciliation for the Division for FY 2018:

Beginning Fund Balance (9/1/2017)	$ 89,706,926
Revenues	394,566,623
Expenditures	(418,817,860)
Transfers/Other	50,803,738
Ending Balance (8/31/2018)	$ 116,259,427

UNIVERSITY OF HOUSTON
DIVISION OF STUDENT AFFAIRS AND ENROLLMENT SERVICES
SUMMARY OF REVENUES AND EXPENDITURES

Description	FY 2018	FY 2017
Revenue		
Endowment Income Distribution	$ (1,287,957)	$ (1,158,075)
Federal Grants and Contracts	(249,729,328)	(249,159,243)
Federal Pass Through Grants - State	0	(13,500)
Other Fees	(26,118,550)	(25,640,321)
Other Investment Income	0	(14)
Other Revenue Sources	0	(1,247)
Private Gifts, Grants and Contracts	(15,478,923)	(14,000,268)
Sales and Services - Auxiliary	(52,077,212)	(51,105,899)
Sales and Services - Education and General	(16,171)	(90,433)
State Grants and Contracts	(1,265,539)	(2,157,746)
State Pass Through -Other State Agencies	(23,487,805)	(22,674,516)
Student Service Fees	(25,105,138)	(24,405,813)
Total Revenue	$ (394,566,623)	$ (390,407,075)
Cost of Goods Sold		
Cost of Goods Sold	$ 519,517	$ 474,741
Total Cost of Goods Sold	$ 519,517	$ 474,741
Payroll		
Salaries and Wages	$ 28,477,754	$ 28,132,709
Fringe Benefits	5,934,574	5,737,176
Total Payroll	$ 34,412,328	$ 33,869,885
Maintenance and Operations		
Academic Service	$ 12,322	$ 18,390
Advertising Promotion and Public	2,492,435	2,039,608
Communication and Transportation	530,128	816,090
Construction Expenses	27,700	10,850
Contracting of Services	9,119,794	9,623,006
Employee Expenses	329,612	374,991
Facilities and Ground Supplies	10,864	9,600
Financial Aid	329,503,902	321,252,978
Financial Tax and License Cost	26,039,182	27,082,247
General Services	2,090,745	1,535,687
General Supplies	588,885	552,846
Health and Clinical Supplies	441,582	429,147
Indirect Cost	21,200	19,593
Lab Research Supplies	22,280	64,976
Legal Services	1,495	11,088
Maintenance Expense	1,250	0
Miscellaneous Supplies and Materials	143,145	141,738
Other Recurring Expenses	2,464,709	2,461,713
Parts and Furnishing	733,925	814,366
Pass Through	0	(25)
Printing, Copying, and Reproduction	536,277	523,166
Professional Services	112,486	240,895
Rental Lease and Royalties	901,666	941,748
Routine Repair	328,741	383,109
Special Program and Events	1,057,977	787,726
Travel Expense	494,597	615,181
Utilities and Sanitation	5,771,552	5,959,785
Total Maintenance and Operations	$ 383,778,451	$ 376,710,499
Capital Outlay		
Capital Outlay	$ 107,564	$ 49,865
Total Capital Outlay	$ 107,564	$ 49,865
Total Cost of Goods Sold, Payroll, M&O, and Capital Outlay	$ 418,817,860	$ 411,104,990