Wright State University
Internal Audit Update

April 29, 2022
Executive Summary

Baker Tilly was engaged to assist Wright State University (WSU) to provide supplemental internal audit services in the following areas:

- Human Resources (HR) Form I-9 Compliance
- Financial Aid
- Office of the Bursar
- Environmental Health and Safety

The following pages provide an overview of each of the four audits, including the overall objectives and summary of results. The complete audit reports are available separately for detailed review.
Risk Rankings

Individual observations were prioritized based on the risk rating definitions and specific criteria described below:

<table>
<thead>
<tr>
<th>Risk rating</th>
<th>Rating description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High risk</strong></td>
<td>High risk indicates an immediate and highly impactful likelihood for major compliance concerns, reputational risk having an impact on enrollment and/or giving, major legal action against the University, and/or creation of a material liability. Immediate notification is sent to the Finance, Audit, Governance and Compliance Chair, and management.</td>
</tr>
<tr>
<td><strong>Significant risk</strong></td>
<td>Significant risk indicates a likelihood for compliance concerns, reputational risk, legal action against the University, and/or creation of a significant liability. No immediate notification needs to be sent to the Board.</td>
</tr>
<tr>
<td><strong>Moderate risk</strong></td>
<td>Moderate risk indicates a moderate possibility of the above outcomes occurring.</td>
</tr>
<tr>
<td><strong>Low risk</strong></td>
<td>Low risk indicates a slight possibility of the above outcomes occurring.</td>
</tr>
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</table>
Audit Conclusions Framework

The following framework lists the conclusion categories which are based on the evaluation of processes and internal controls of the audit area:

<table>
<thead>
<tr>
<th>Potential Audit Conclusions</th>
<th>Conclusion description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effective</strong></td>
<td>No high or significant risk observations (i.e., significant likelihood for compliance concerns, reputational risk, legal action against the institution, and/or the creation of a significant liability) related to internal controls were noted as a result of the audit.</td>
</tr>
<tr>
<td><strong>Satisfactory</strong></td>
<td>Internal controls overall are sufficient to achieve objectives and ensure compliance.</td>
</tr>
<tr>
<td><strong>Improvement Needed</strong></td>
<td>Multiple high and/or significant risk observations related to internal controls were identified that, in the aggregate, could result in significant errors or irregularities, or significant compliance concerns, that are not detected on a timely basis.</td>
</tr>
</tbody>
</table>
# Internal Audit Results Summary

<table>
<thead>
<tr>
<th>Summary</th>
<th>Opportunities for Enhancement</th>
<th>Conclusion</th>
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<tbody>
<tr>
<td><strong>Human Resources Form I-9 Compliance Audit</strong></td>
<td></td>
<td>Improvement Needed</td>
</tr>
</tbody>
</table>
| Baker Tilly reviewed the process and controls related to the University’s Department of Homeland Security U.S. Citizenship and Immigration Services (USCIS) Form I-9 compliance to assess whether the University has adequate policies, procedures, and controls in place to properly mitigate the risk of non-compliance. We concluded that the HR process and internal controls in place related to Form I-9 compliance needs improvement. | 1) Ensure all active employees have a completed Form I-9 on file *(High)*  
2) Enhance oversight, training, and policies regarding Form I-9 completion *(Significant)*  
3) Implement document retention and disposal practices *(Moderate)*  
4) Effectively manage the newly implemented HIRETech System *(Moderate)* | |
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<tr>
<td>Financial Aid Audit</td>
<td></td>
<td>Satisfactory</td>
</tr>
</tbody>
</table>
| Baker Tilly assessed the processes and controls related to both Federal and institutional aid administration. We concluded the processes and internal controls in place regarding financial aid processes are satisfactory. | 1) Expand trainings and communications to increase the use of Scholarship Manager (*Significant*)  
2) Implement system access review procedures (*Significant*)  
3) Communicate responsibilities for award notifications (*Moderate*)  
4) Monitor program of study requirements (*Moderate*)  
5) Identify and communicate unapplied awards (*Moderate*)  
6) Develop succession plans (*Moderate*)  
7) Engage in additional training and professional development (*Low*) |
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<td>Office of the Bursar Audit</td>
<td></td>
<td>Effective</td>
</tr>
</tbody>
</table>
| Baker Tilly reviewed the processes and internal controls related to the Office of the Bursar to assess efficiency and effectiveness within the internal control environment. We concluded the processes and internal controls in place regarding the Bursar are **effective**. | 1) Consider reducing the amount of cash that is kept on hand (*Moderate*)  
2) Develop succession plans (*Moderate*)  
3) Complete reconciliations on a monthly basis (*Low*) |
### Summary

Environmental Health and Safety Advisory Review

Baker Tilly assessed the roles and responsibilities, structure, and governance documentation related to the Environmental Health and Safety (EHS) department. Based on an evaluation of the aspects above, we concluded the policies, procedures, and processes in place regarding EHS needs improvement.

### Opportunities for Enhancement

1. Assess the EHS department’s staffing, responsibilities, and structure (*Significant*)
2. Review and update the comprehensive risk inventory and develop prioritized workplans (*Significant*)
3. Assess opportunities to improve EHS training management (*Moderate*)
4. Review and update policies and procedures (*Moderate*)
5. Implement regular Safety Committee meetings (*Low*)
6. Update the EHS Record Retention Policy (*Low*)

### Conclusion

Improvement Needed
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Questions?