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Student Recruitment and Tuition Remissions Assessment Tools and Strategies for Auditors

Presenter:
David Terry, CPA, CFE, CIA
Director of Internal Audit
Portland State University

September 15-19, 2019 | Baltimore, MD

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Objectives of Training

Recruiting

1. Identify Strategies for Analyzing Student Recruitment.
2. Discuss Industry Best Practices for Student Recruitment.

Remissions

3. Overview of Internal Controls to Help Mitigate Risks Related to Remissions.

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Objective 1 – Strategies for Analyzing Recruitment

- Obtain the strategic plan for recruiting prospective students to your institution of higher education;
- Obtain copies of major contracts with agents that may recruit on behalf of your institution;
- Determine what vendors your institution uses to procure "leads" or names of prospective students;
- Determine who does recruiting at your institution and what regions they visit and recruit from periodically.

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Objective 1 – Strategies for Analyzing Recruitment

Based on what we heard back from our auditee for our audit, we incorporated the following additional data points into our procedures:

1) Determine if your institution utilizes any software that "tracks" visitors to your website.
2) Determine what benchmarks and professional reports your institution utilizes to help plan future recruiting efforts.
3) Consider analyzing what the return on investment or yield for regions your institution recruits from.

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Objective 1 – Risks Identified

The following were key risks we identified:

1) Lack of a strategic plan for recruitment;
2) Privacy policy, GDPR, and CCPA compliance risks for website tracking and data collection;
3) Duplication of "leads" purchased from different vendors;
4) Data reliability of "leads" purchased from vendors;
5) Heavy investment of staff time and resources to a region that was not producing a strong yield of applicants;
6) Travel expenditure fraud risks; and
7) Managing potential or actual conflicts of interest.

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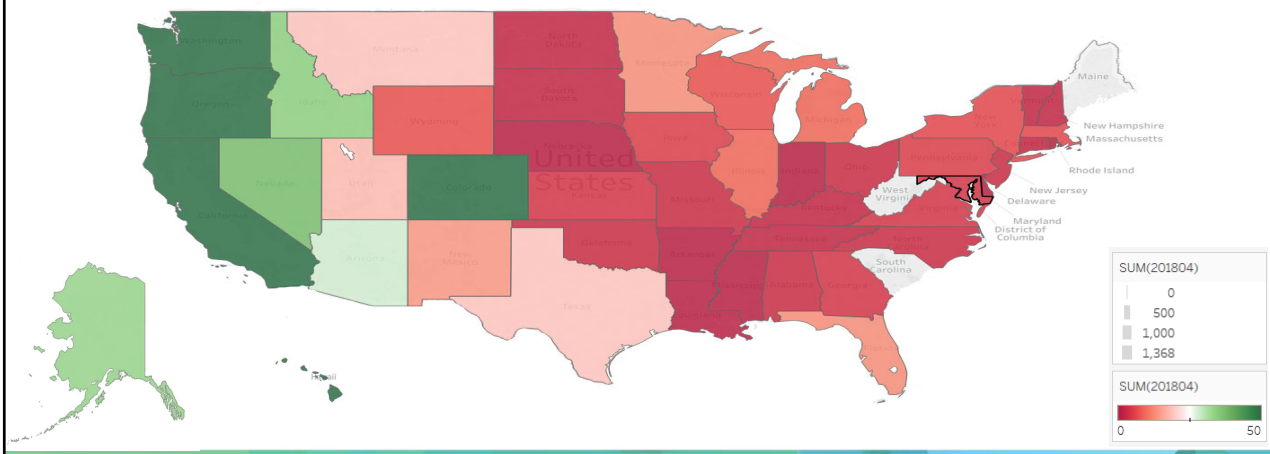
Objective 1 – Examples of Analysis



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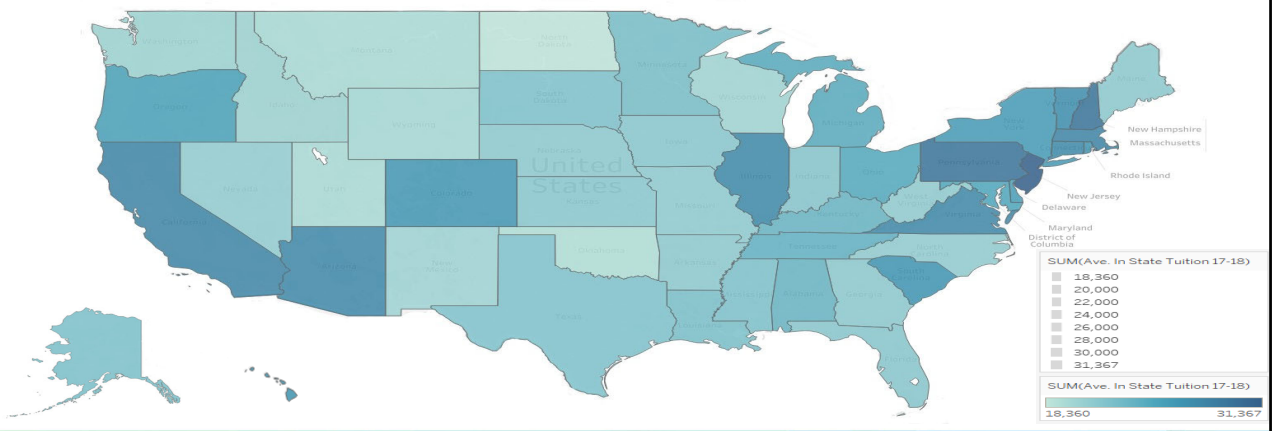
Objective 1 – Examples of Analysis



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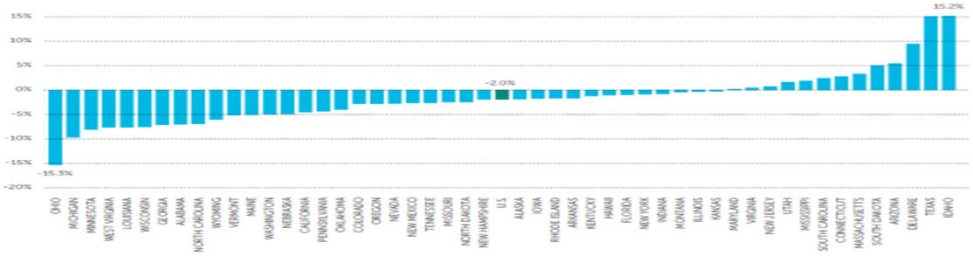
Objective 1 – Examples of Analysis

Only five states had public enrollment growth of 5 percent or more since 2010

FIGURE 6
PUBLIC HIGHER EDUCATION FULL-TIME EQUIVALENT (FTE) ENROLLMENT: PERCENT CHANGE, FY 2010-2015



Source: SHEEO: State Higher Education Executive Officers Association Finance FY15

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Objective 2 – Industry Best Practices

- 3 year investment in a region is needed to determine if recruiting in region is a "good investment";
- Have a documented strategic plan and monitor progress on that plan's objectives based on recruiting yields realized and adjust your recruiting efforts based on feedback from perspective students;
- If recruiting agents are used, then have a diversified portfolio of agents that assist your institution.

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Objective 3 – Remissions & Tuition Discounting

Why we initially chose this topic for audit:

News & Views Careers Events Reports & Data
Trending: Pinker and Epstein Amazon Retraining Effort

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6 Howard Employees Fired for Fraud

By Grace Bird // March 29, 2018 10 COMMENTS

Six Howard University employees were fired last year for stealing money from the financial aid department, the president confirmed Wednesday.

Article located at https://www.insidehighered.com/quicktakes/2018/03/29/6-howard-employees-fired-fraud

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Objective 3 – Remissions & Tuition Discounting

Why we were glad, as auditors, why we chose this topic for audit:

News & Views Careers Events Reports & Data
Trending: Pinker and Epstein Amazon Retraining Effort
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Subscribe Free Advertise Hire Faculty & Staff Find a Job

#Admissions Insider
Print This

This Week's Developments in the Admissions Scandal

A television show, another admission of guilt and an unfortunate tweet.

By Mark Lieberman and Scott Jaschik // May 13, 2019

Get Ready to Binge-Watch

The college admissions scandal that gripped the nation in March could be heading to your favorite TV network or streaming service, per a report on the movie news site *Collider* that was subsequently confirmed by the major Hollywood trade publications.

The production company Annapurna has acquired the rights to develop for a television series an adaptation of the upcoming nonfiction book *Accepted*, an

ADMISSIONS SCANDAL

Article located at https://www.insidehighered.com/admissions/article/2019/05/13/latest-admissions-scandal

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Objective 3 – Risks Identified

The following were key risks we identified:

1. Lack of a documented strategic plan;
2. Preventative and detective controls for remission fraud risk;
3. User access controls;
4. Residency status and controls/processes used to review and change status during a student's academic career.
   a. Consider comparing supporting records for students selected for Verification for Financial Aid against support for residency status changes.
   b. Consider comparing SEVIS reporting and visa classification data for international students against tuition rates assessed.

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Objective 3 – Risks Identified cont.

5. Remission programs may be financially unsustainable to operate, but management under pressure to produce enrollment numbers;
6. Institution's remission programs impact Title IV Financial Aid funds;
7. Outside scholarships not calculated in remission awarding process;
8. Clarity on whether stacking of remissions from multiple departments is allowed and whether stacking should lead to a refund to the student;
9. Budget for remissions significantly different than industry standards.

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Objective 3 – Key Takeaways from Remissions Audit

1) What is the industry standard for a budget for remissions?

Our peer comparators were remitting 31.1% of their tuition and fees during fiscal year 2017, but our remissions were only 12.6% of tuition and fees.

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Objective 3 – Key Takeaways from Remissions Audit

2) How many non-residents change their status to resident each year and how does that compare to peers?

We found that ~8% of our non-resident students were authorized to change their status to resident in academic year 2017-18. Peer comparators averaged ~5%. Also, these changes impacted ~$3M of tuition assessed in academic year 2017-18 and was deemed a key internal control for financial transactions by internal audit.

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Objective 3 – Key Takeaways from Remissions Audit

3) Caution – Student classifications can be complicated and numerous.

We found a total of 7 major categories besides resident and non-resident:

i) WUE;
ii) WICHE;
iii) Washington border;
iv) Laws and regulations for groups like veterans;
v) Contracts with partner institutions;
vi) Degree vs. non-degree seeking students;
vii) Pre-admission credits for post-bac. degree programs.

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Objective 3 – Key Takeaways from Remissions Audit

4) Does your institution have academic programs that cap enrollment and have waiting lists?

a) If so, then do students enrolled in these programs receive significant tuition remissions?

b) If significant remissions are granted to students in these programs, then does this align to the mission, vision, and values of your institution or are these indications of data anomalies that need further review and testing?

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Resources and References

- Open Doors Report - https://www.iie.org/opendoors
- IPEDS - https://nces.ed.gov/ipeds/
- National Association for College Admission Counseling – Code of Ethics and Professional Practices - file:///I:/Staff/FADM/IA_Dept/Recruiting%20and%20Admission%20FY19/Planning/JIC/2017_spgp_cepp_final.pdf

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Questions?

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