



Board of Regents

Ohio College Opportunities Grant Audit

Audit Period: July through September 2013

Results Summary:

Objective	Conclusion
Award Processing	Improvement Needed
Monitoring/Audit	Well-Controlled with Improvement Needed



Executive Summary

Background

The Ohio Board of Regents (BOR) administers the Ohio College Opportunity Grant (OCOG) program, which provides grant money to Ohio residents who demonstrate the highest levels of financial need (as determined by the results of the Free Application for Federal Student Aid (FAFSA)) who are enrolled at Ohio public university main campuses (not regional campuses or community colleges), Ohio private, non-profit colleges or universities, and Ohio private, for-profit institutions. The FAFSA application deadline is October 1 of each year.

The OCOG program had an appropriation amount of \$80,284,265 for fiscal year for 2012 and \$91,368,684 for fiscal year 2013.

During the audit, OIA identified opportunities for BOR to strengthen internal controls and improve business operations. This audit conforms to the *International Standards for the Professional Practice of Internal Auditing*. OIA would like to thank BOR staff and management for their cooperation and time in support of this audit.

This report is solely intended for the information and use of agency management and the State Audit Committee. It is not intended for anyone other than these specified parties.

Scope and Objectives

OIA staff was engaged to perform an assurance audit related to the controls over OCOG. This work was completed July through September 2013. The audit period was from January through July 2013. The following detailed audit objectives included:

- Evaluate the design and effectiveness of the controls over award processing and provide recommendations related to the calculation of award amounts.
- Evaluate the design and effectiveness of controls over the monitoring/auditing of OCOG awards.

We also reviewed the processes in place to validate completeness and integrity of data received from the U.S Department of Education into the Higher Education System (HEI). Additionally, controls around the access of the HEI were reviewed as it relates to OCOG.



Observations and Recommendations

The Observations and Recommendations include only those risks which were deemed high or moderate. Low risk and security record observations were discussed with individual agency management and are not part of this report. However, the low risk and security record observations were considered as part of the audit objective conclusions.

Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing the observations and recommendations suggested above. However, these observations reflect our continuing desire to assist your department in achieving improvements in internal controls, compliance, and operational efficiencies.

* Refer to Appendix A for classification of audit observations.



Appendix A – Classification of Conclusions and Observations

Classification of Audit Objective Conclusions

Conclusion	Description of Factors
Well-Controlled	The processes are appropriately designed and/or are operating effectively to manage risks. Control issues may exist, but are minor.
Well-Controlled with Improvement Needed	The processes have design or operating effectiveness deficiencies but do not compromise achievement of important control objectives.
Improvement Needed	Weaknesses are present that compromise achievement of one or more control objectives but do not prevent the process from achieving its overall purpose. While important weaknesses exist, their impact is not widespread.
Major Improvement Needed	Weaknesses are present that could potentially compromise achievement of its overall purpose. The impact of weaknesses on management of risks is widespread due to the number or nature of the weaknesses.

Classification of Audit Observations

Rating	Description of Factors	Reporting Level
Low	Observation poses relatively minor exposure to an agency under review. Represents a process improvement opportunity.	Agency Management; State Audit Committee (Not reported)
Moderate	Observation has moderate impact to the agency. Exposure may be significant to unit within an agency, but not to the agency as a whole. Compensating controls may exist but are not operating as designed. Requires near-term agency attention.	Agency Management and State Audit Committee
High	Observation has broad (state or agency wide) impact and possible or existing material exposure requiring immediate agency attention and remediation.	Agency Management and State Audit Committee