



Board of Regents

Ohio Articulation and Transfer Network Audit

Audit Period: July 1, 2014 – April 30, 2015**

Results Summary:

Objective	Conclusion*
Monitoring of the Fiscal Agent	Well-Controlled with Improvement Needed

* Please refer to Appendix A for classification of audit objective conclusions.



Executive Summary

Background

The Ohio General Assembly, the Ohio Board of Regents (BOR), Ohio's public universities, community and technical colleges, and Ohio Technical Centers support multiple educational pathways to meet the full spectrum of student needs and educational aspirations. The Ohio Articulation and Transfer Network (OATN) policy was developed to facilitate the transfer of students and credits from any public college or university to another. It encourages faculty recognition of equivalent, comparable, and compatible learning experiences and expectations across institutions. It also encourages students to complete "units" of educational experience as they progress (e.g. transfer assurance guides, transfer modules, associate and baccalaureate degrees).

In support of the articulation and transfer processes, the BOR established an agreement with Wright State University (WSU) to serve as the fiscal agent for the Ohio Articulation and Transfer Network. WSU's fiscal responsibilities include but are not limited to: OATN staff affairs (salaries, benefits, and travel), facilities and administrative services, information and communications and professional fees (including consultants and services for technology, marketing, etc.)

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 Board of Regents 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 assurance work related to the Ohio Articulation and Transfer Network (OATN). This work was completed between March 2015 – June 2015. The scope of this audit was limited to a review of OATN's monitoring over their fiscal agent, Wright State University (WSU). **The audit period for the engagement was July 1, 2014 – April 30, 2015; however, payroll transactions were reviewed through May 31, 2015, as requested by BOR management. The following detailed audit objective included:

- Evaluate the design and effectiveness of the controls around the monitoring performed by the Board of Regents over the fiscal agent of the Articulation and Transfer program.



Detailed Observations and Recommendations

The Observations and Recommendations include only those risks which were deemed high or moderate. There were no high or moderate observations identified during the assurance portion of the engagement.

Based on the review, OIA identified opportunities for BOR OATN to improve their processes for monitoring the fiscal agent. Detailed recommendations have been provided in a separate communication to management entitled Other Matters for Management's Attention.

Low risk observations and consulting recommendations were discussed with individual agency management and are not part of this report. However, the low risk observations were considered as part of the audit objective conclusions.



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