

# FY24 Prior Year Finding Follow-Up Form

## Sam Houston State University

Institution Name Sam Houston State University

Agency Number 753

Finding Reference # 2023-106 / General Controls

### Detailed Finding Text

#### General Controls

An institution must establish and maintain effective internal control over federal awards that provides reasonable assurance that the institution is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award (Title 2, Code of Federal Regulations (CFR), Section 200.303(a)).

**Sam Houston State University (University) did not appropriately restrict access to its student information system.**

Specifically, the University did not always limit access to the student information system to only users who needed that access based on their job responsibilities. While the University had a process in place to review user access, that process was not adequately designed to ensure that the University granted the appropriate levels of access to all users based on the users' job duties. Allowing users inappropriate or excessive access to systems increases the risk of unauthorized changes being made in those systems.

**In addition, the University did not have sufficient controls over its change management process for information systems.** Specifically, 1 (14 percent) of 7 changes tested lacked documentation showing that the change was properly tested or validated before it was migrated to production. Not having sufficient controls over the change management process increases the risk of unauthorized programming changes being made to critical information systems that the University uses to administer student financial assistance.

#### Recommendations

The University should:

- Ensure that user access to its student information system is appropriately limited based on a user's job responsibilities.
- Strengthen its controls over its change management process to ensure adequate validation of changes prior to implementation.

#### Management's Response

##### Views of Responsible Officials 2023:

The University acknowledges and agrees with the finding. Through analysis of the exceptions identified in the audit, the University will work to develop and implement corrective action to further improve the processes.

##### Corrective Action Plan 2023:

The user access has been limited to their specific job function. The university will verify user access was appropriately updated/removed. Access review procedures will be reviewed to ensure access is appropriately assigned in the future.

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To streamline and assure a consistent outcome regarding the approvals for security patches to be introduced to the production environment, the University will convert these normal changes to standard changes. A standard change is “A pre-authorized change that is low risk, relatively common and follows a procedure or work instruction. (ITIL v4 definition.)” Software patching and updates are standard change candidates. Not applying security patches in a timely manner introduces a greater risk to the University than processing these requests as a normal change.

A standard change is pre-authorized and will address how IT is testing and/or validating whether the OS patches were successful in an available test environment prior to deployment to production. Test procedures will be documented as a requirement of the Standard Change Model. IT will document that outcome of the testing and/or validating of the OS patch as a Journal entry on the Standard Change prior to implementation.

The Change Advisory Board (CAB) will review these changes/procedures on a regular basis to ensure we are in compliance. Policies, Standards and Procedures will be updated to meet any required changes.

Implementation Date: January, 2025

Responsible Persons: Michael Dewey, Chief Technology Officer  
Amy Wilson, Director of Financial Aid and Scholarships

### Information to be completed by the institution:

2023-106 / General Controls	
<b>1. Has corrective action has been implemented?</b> <i>Note: If no, please skip to #4 below.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No      (Please check appropriate box)
<b>2. Date corrective action was implemented</b> <i>Note: Please provide an exact date for implementation. Auditors will review data after that date to determine the population from which to select sample items for testing.</i>	<div style="background-color: yellow; padding: 2px;">MM/DD/YYYY</div>
<b>3. Was the implementation of the corrective action in place for a complete, standard term?</b> <i>Note: If a complete, standard term of data is not available, auditors may not have sufficient data to perform follow-up testing for certain compliance areas.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No      (Please check appropriate box) <input type="checkbox"/> Fall 2023 <input type="checkbox"/> Spring 2024 (Please check appropriate box(es))
<b>4. Division or Department responsible for implementation</b>	Financial Aid and Scholarships and Information Technology
<b>5. Name and title of person responsible for implementation</b>	Amy Wilson, Director of Financial Aid and Mike Dewey, Chief Technology Officer, IT
<b>6. Email of person responsible for implementation</b>	<a href="mailto:fao.wilson@shsu.edu">fao.wilson@shsu.edu</a> and <a href="mailto:mldewey@shsu.edu">mldewey@shsu.edu</a>
<b>7. Phone number of person responsible for implementation</b>	936-294-3608 (Amy) or 936-294-1325 (Mike)

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#### **8. Describe corrective action taken to address finding.**

User access reviews are completed quarterly to ensure access is appropriately assigned. The security matrix audits are saved on a shared network drive and reviewed by the Director of Financial Aid. Once the audit is complete, it is saved in the Director's folder to document the completion. Any updates necessary to remove access are submitted to the financial aid team to update access as necessary. A copy of the email request for updates is also saved in the Director's folder.

The new report for user access review will be promoted May 2024, making it available for the first-time use by our functional users in June 2024 to begin testing the effectiveness of the report.

#### **9. If the institution has not fully addressed this finding, please describe any planned corrective action, or explain why management has elected not to correct this finding.**

Software patching and updates are standard change candidates. Not applying security patches in a timely manner introduces a greater risk to the University than processing these requests as a normal change.

SHSU is working towards developing best practice for documenting the testing and validation of OS patches in the test environment prior to transitioning to production. IT will document the outcome of the testing and/or validating of the OS patch as a Journal entry or ticket response on both the service request authorizing the release and application of patches as well as the associated change request for each system indicating testing is complete on the Standard Change prior to implementation.

SHSU fully expects to meet the implementation deadline of January 2025 and will update should they meet the requirement at an earlier date.

# FY24 Prior Year Finding Follow-Up Form

## Sam Houston State University

Institution Name Sam Houston State University

Agency Number 753

Finding Reference # 2023-107 / Eligibility

### Detailed Finding Text

#### Federal Direct Student Loans

Direct Unsubsidized Loans have higher annual limits for certain graduate and professional health professions students. Schools may award the increased unsubsidized amounts to students who are enrolled at least half-time in certain health professions programs. The increased unsubsidized amounts that an eligible health professions student may receive are in addition to the regular \$20,500 Direct Unsubsidized Loan annual loan limit for graduate and professional students. For programs with an academic year covering 10 or 11 months, the annual additional unsubsidized loan limit must be prorated. The prorated annual loan limit is determined by dividing the applicable loan limit for a nine-month academic year by nine, and then multiplying the result by 10 or 11. (U.S. Department of Education *2022-2023 Federal Student Aid Handbook*, Volume 3, Chapter 5).

**Based on a review of the full population of student financial assistance recipients, Sam Houston State University (University) overawarded a total of \$239,932 in Unsubsidized Direct Loans to 133 students.** Due to an incorrect proration methodology, the University awarded first- and second-year students in the Doctor of Osteopathic Medicine program in excess of their Unsubsidized Direct Loan annual limit. Specifically, the University prorated the sum of the annual and increased additional annual limits, instead of prorating only the increased additional annual limit. After auditors brought the errors to the University's attention, it returned the excess Unsubsidized Direct Loan funds; therefore, there were no questioned costs.

#### Recommendation

The University should use the appropriate methodology when prorating Unsubsidized Direct Loans for eligible health professions students to ensure that loans are disbursed within the student's applicable annual limit.

#### Management's Response

##### Views of Responsible Officials 2023:

The University acknowledges and agrees with the findings of this audit. Management recognizes that increased unsubsidized amounts for eligible health professions are to be calculated by prorating the additional months then dividing the applicable loan limit for a nine-month academic year by nine, and then multiplying the result by 10 or 11, depending on the months of the program.

##### Corrective Action Plan 2023:

The University has implemented corrections to this calculation when it was brought to the attention by the State Auditor's Office. Corrective action was immediately taken by reducing the unsubsidized award for those who received the incorrect amount during the 2022-2023 award year. The University also corrected awards for the 2023-2024 year and updated the awarding rules in its Banner system.

# FY24 Prior Year Finding Follow-Up Form

## Sam Houston State University

Implementation Date: August 2023

Responsible Person: Amy Wilson, Director of Financial Aid and Scholarships

### Information to be completed by the institution:

2023-107 / Federal Direct Student Loans	
1. Has corrective action has been implemented? <i>Note: If no, please skip to #4 below.</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Please check appropriate box)
2. Date corrective action was implemented <i>Note: Please provide an exact date for implementation. Auditors will review data after that date to determine the population from which to select sample items for testing.</i>	8/1/2023
3. Was the implementation of the corrective action in place for a complete, standard term? <i>Note: If a complete, standard term of data is not available, auditors may not have sufficient data to perform follow-up testing for certain compliance areas.</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Please check appropriate box) <input checked="" type="checkbox"/> Fall 2023 <input checked="" type="checkbox"/> Spring 2024 (Please check appropriate box(es))
4. Division or Department responsible for implementation	Financial Aid and Scholarships
5. Name and title of person responsible for implementation	Amy Wilson, Director and Lisa Namken, Associate Director
6. Email of person responsible for implementation	<a href="mailto:fao.wilson@shsu.edu">fao.wilson@shsu.edu</a> and <a href="mailto:fao.namken@shsu.edu">fao.namken@shsu.edu</a>
7. Phone number of person responsible for implementation	936-294-3608
<b>8. Describe corrective action taken to address finding.</b> Immediate action was taken during the FY23 SAO A 133 audit to resolve the misinterpretation of additional loan eligibility for health professions. The loans were reduced to the correct amount and reflected in COD. All updates were provided to auditors during the FY23 audit. Updates were also made in the SIS to limit the annual loan amounts for each cohort.	
<b>9. If the institution has not fully addressed this finding, please describe any planned corrective action, or explain why management has elected not to correct this finding.</b>	

## FY24 Prior Year Finding Follow-Up Form

### Sam Houston State University

Institution Name Sam Houston State University

Agency Number 753

Finding Reference # 2023-108 / Return of Title IV Funds

#### Detailed Finding Text

When a student who received Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the student began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date (Title 34, Code of Federal Regulations (CFR), Section 668.22(a)(1)). If the total amount of Title IV grant or loan assistance earned by the student is less than the amount that was disbursed to the student or on the student's behalf as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs and no additional disbursements may be made to the student for the payment period or period of enrollment (Title 34, CFR, Section 668.22(a)(4)).

The amount of earned Title IV grant or loan assistance is calculated by (1) determining the percentage of Title IV grant or loan assistance that the student has earned and (2) applying that percentage to the total amount of Title IV grant or loan assistance that was or could have been disbursed to the student or on the student's behalf for the payment period or period of enrollment as of the student's withdrawal date. Students earn 100 percent of their Title IV grant or loan assistance if their withdrawal date is after the completion of 60 percent of the payment period or period of enrollment. The unearned amount of Title IV grant or loan assistance to be returned is calculated by subtracting the amount of Title IV assistance a student earned from the amount of Title IV assistance that was disbursed to the student or on the student's behalf as of the date of the institution's determination that the student withdrew (Title 34, CFR, Section 668.22(e)).

For distance education, documenting that a student has logged into an online class is not sufficient to demonstrate academic attendance by the student. An institution must demonstrate that a student participated in class or was otherwise engaged in an academically related activity. Only active participation by a student in an instructional activity related to the student's course of study that meets the definition of "academic engagement" in Title 34, CFR, Section 600.2 and takes place during a payment period or period of enrollment qualifies as attendance in an academically related activity (U.S. Department of Education, *2022-2023 Federal Student Aid Handbook*, Volume 5, Chapter 2).

**For 1 (4 percent) of 24 students tested, Sam Houston State University (University) did not have evidence of academic engagement in the distance education course from which the student's withdrawal date was determined.** The University relies on the last dates of academic activity provided by instructors to determine the withdrawal date for Return of Title IV purposes for students who unofficially withdraw. The student's record did not reflect evidence of academic activity for the distance education course, and the University asserted that the last day of attendance provided by the instructor was inaccurate. The University did not have a process in place to require instructors to provide or maintain evidence of academic engagement in distance education courses. As a result, the University did not perform a return calculation because it incorrectly determined that the student completed over 60 percent of the period. After auditors brought the issue to the University's attention, the University performed a return calculation and returned Title IV funds as required; therefore, there were no questioned costs.

Having a process that does not consistently calculate and return the correct amount of Title IV funds increases the risk that the University could return less Title IV funds than it is required to return.

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## Sam Houston State University

### Recommendation

The University should ensure that evidence of academic engagement is consistently documented for students in distance education courses.

### Management's Response

#### Views of Responsible Officials 2023:

The University acknowledges and agrees with the findings of this audit. Management acknowledges the responsibility to accurately verify the academic engagement and document it for students enrolled in distance education courses.

#### Corrective Action Plan 2023:

The University has adjusted its practices to verify the academic engagement after resigning through online activity reports for students enrolled in distance education courses. Additional training is being provided to faculty members on the importance of the last day of attendance records.

Implementation Date: January 2024

Responsible Person: Amy Wilson, Director of Financial Aid and Scholarships

### Information to be completed by the institution:

2023-108 / Return of Title IV Funds	
1. Has corrective action has been implemented? <i>Note: If no, please skip to #4 below.</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No      (Please check appropriate box)
2. Date corrective action was implemented <i>Note: Please provide an exact date for implementation. Auditors will review data after that date to determine the population from which to select sample items for testing.</i>	12/1/2023
3. Was the implementation of the corrective action in place for a complete, standard term? <i>Note: If a complete, standard term of data is not available, auditors may not have sufficient data to perform follow-up testing for certain compliance areas.</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No      (Please check appropriate box) <input type="checkbox"/> Fall 2023 <input checked="" type="checkbox"/> Spring 2024    (Please check appropriate box(es))
4. Division or Department responsible for implementation	Financial Aid and Scholarships
5. Name and title of person responsible for implementation	Amy Wilson, Director and Erin Carpenter, Associate Director
6. Email of person responsible for implementation	<a href="mailto:Fao.wilson@shsu.edu">Fao.wilson@shsu.edu</a> and <a href="mailto:fao.carpenter@shsu.edu">fao.carpenter@shsu.edu</a>
7. Phone number of person responsible for implementation	936-294-3608

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**Sam Houston State University**

8. Describe corrective action taken to address finding.

During the FY23 SAO A 133 audit, immediate action was taken to resolve the discrepancies between the last day of attendance (LDA) for online courses reported by faculty and the internet activity records indicating academic engagement. To address this, the following steps were implemented:

- Academic engagement will now be verified using internet activity reports. These reports will be reviewed to ensure that students were actively engaged in relevant coursework.
- If the internet activity report dates align with the LDA reported by the faculty, the corresponding date will be accepted.
- In cases where the dates do not align, the financial aid office will reach out to the faculty member to request proof of the most recent academic engagement.

9. If the institution has not fully addressed this finding, please describe any planned corrective action, or explain why management has elected not to correct this finding.