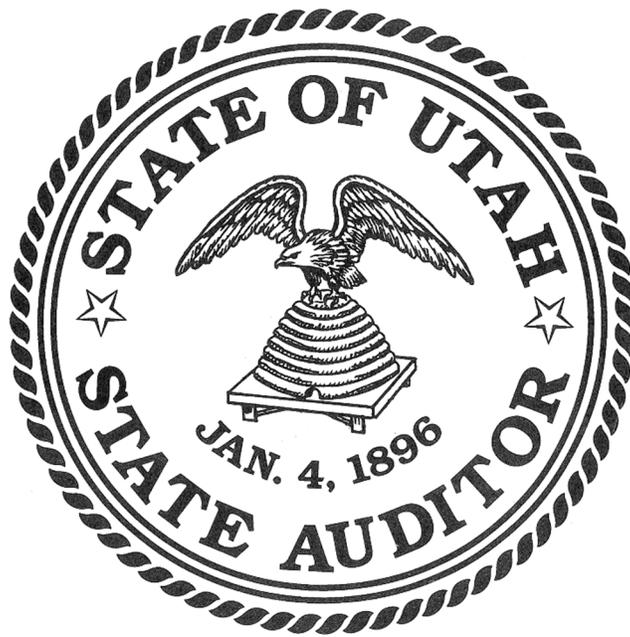


Weber State University

Management Letter
For the Year Ended June 30, 2020

Report No. 20-33



OFFICE OF THE STATE AUDITOR

AUDIT LEADERSHIP:

John Dougall, State Auditor
Bertha Lui, CPA, Senior Audit Manager
Chantel Wixon, CPA, Audit Supervisor

WEBER STATE UNIVERSITY
FOR THE YEAR ENDED JUNE 30, 2020

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<u>Finding Type:</u>	<u>Applicable To:</u>
MW Material Internal Control Weakness	s State Financial Statements
SD Significant Deficiency of Internal Control	f Federal Program
MN Material Noncompliance	e Entity Financial Statements
RN Reportable Noncompliance or Illegal Acts	



OFFICE OF THE
STATE AUDITOR

MANAGEMENT LETTER NO. 20-33

June 14, 2021

Norman Tarbox, Vice President Administrative Services
Weber State University
1006 University Circle
Ogden, Utah 84408-1006

Dear Vice President Tarbox:

This management letter is issued as a result of our audit of Weber State University's (the University's) portion of the statewide federal compliance audit (Single Audit) for the year ended June 30, 2020. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Our final reports on internal controls and on compliance required under *Government Auditing Standards* and federal *Uniform Guidance* will be issued under separate cover. These reports will also provide further detail as to considerations made during the course of the audit regarding internal controls and compliance, both at the financial statement and at the federal program level, and the limited purposes of those considerations. The purpose of this letter is to communicate with University management concerns identified during the course of our audit.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees to prevent or to detect and correct on a timely basis misstatements, errors, or instances of noncompliance. *A material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatements, errors, or noncompliance are not prevented or are not detected and corrected on a timely basis.

During our audit, we became aware of a certain deficiency in internal control (Finding 1) that an opportunity for strengthening internal controls and operating efficiencies.

The purpose of this communication is solely to describe the scope of our testing of internal control over compliance and the results of that testing and not to provide an opinion on the effectiveness of the University's internal control over compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to *Utah Code* Title 63G Chapter 2, this letter is a matter of public record, and as such, its distribution is not limited.

We appreciate the courtesy and assistance extended to us by University personnel during the course of our audit, and we look forward to a continuing professional relationship. If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Bertha Lui".

Bertha Lui, CPA
Senior Audit Manager
801-808-0481
blui@utah.gov

cc: Steve Nabor, Senior Associate Vice President for Financial Services & CFO
Ronald Smith, Controller
Jed Spencer, Student Financial Aid Director

Finding and Recommendation

1. Lack of Independent Review on a Student Aid Disbursements

The University did not have an independent review on the student aid disbursements process. CFR 200.303 require non-federal entities to “establish and maintain effective internal control...that provides reasonable assurance that the non-federal entity is managing [the program] in compliance with...terms and conditions of the federal award.” Because of the COVID-19 pandemic, the University personnel were required to work from home which led to an oversight on the control procedures including an independent review.

We also noted one overpayment of \$43 out of the 40 student aid disbursements selected for testing. The overpayment was caused by an inputting error of expected family contribution (EFC) threshold criteria used to determine the disbursement amounts. The error was not noted because the disbursements were not independently reviewed prior to issuance to students. Without an independent review, this error went undetected and thus, overpayments occurred. The University identified the total effect of this inputting error to be 23 overpayments totaled at \$2,358, which we questioned.

Recommendation:

We recommend the University implement an independent review of student disbursements prior to issuing funds to ensure payment accuracy.

University's Response:

We concur with the recommendation. We have changed our process to increase our internal controls by having a second person review the student details and disbursement requirements after the student population and amount are determined. We implemented this additional control on Feb 23, 2021.