

OFFICE OF THE STATE AUDITOR

PERFORMANCE AUDIT FOLLOW-UP REPORT

Status of Recommendations

Dickinson State University

November 6, 2014

Report No. 3031.1



Robert R. Peterson, State Auditor

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November 6, 2014

Honorable Jack Dalrymple, Governor

Members of the North Dakota Legislative Assembly

A fundamental objective of the Office of the State Auditor's work is to bring about improvements through recommendations. To achieve this, our recommendations need to be timely and effectively implemented. The Legislative Audit and Fiscal Review Committee (LAFRC) has requested the Office of the State Auditor to perform follow-up work after presentation of performance audit reports to the Committee and to report those agencies which have not implemented audit recommendations.

The Office of the State Auditor conducted an audit follow-up on the performance audit of Dickinson State University (report #3031) dated February 28, 2012. The objective of this follow-up audit was to determine the status of the 33 recommendations included in the performance audit report. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives. The audit period for which information was collected and reviewed was July 1, 2012 through May 31, 2014.

Included in the report are the conclusions we made regarding the status of the recommendations included in the performance audit. Management's responses are included for partially implemented and not implemented recommendations.

Sincerely,

A handwritten signature in cursive script that reads "Bob Peterson".

Robert R. Peterson
State Auditor



OFFICE OF THE STATE AUDITOR

Performance Audit Follow-Up Dickinson State University Summary of Recommendations

The objective of the performance audit conducted on Dickinson State University was to answer the following question:

“Has Dickinson State University established an adequate system for monitoring operations?”

A summary of our conclusions made during this follow-up regarding the status of the 33 recommendations made during the performance audit are as follows:

Status of Recommendation	Number	Percentage
Fully Implemented	19	58%
Partially Implemented	11	33%
Not Implemented	1	3%
No Longer Applicable	2	6%

There are nine Office of the State Auditor’s concluding remarks in this report. They are denoted below by a “ * ” next to the recommendations.

Partially Implemented

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Recommendation 4-10*	Improving the Hiring Process	Page 16
Recommendation 4-11	Ensuring Appropriate Access to Systems	Page 17
Recommendation 4-12*	Establishing Policies Related to the Use of Student Housing	Page 17

Not Implemented

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Tuition and Fees

Recommendation 1-1 **We recommend Dickinson State University make appropriate changes to ensure tuition rates are consistently charged and accurately reflect what will be collected.**

Action Taken Dickinson State University (DSU) has changed the on-campus non-resident tuition rate from 267% of the North Dakota resident rate to 150% of the North Dakota resident rate. This non-resident tuition rate reflects the amount of tuition intended to be collected. DSU discontinued the Disney Program and as a result appears to no longer be charging students different tuition rates for internship credits.

Status Fully Implemented.

Recommendation 1-2 **We recommend Dickinson State University ensure access fee moneys are used for expenses associated with distance education and the fee amount charged to students is appropriate.**

Action Taken The Access fee charged to distance education students by DSU no longer includes the University fee. This has resulted in a significant reduction in the Access fee amount charged to distance education students. During the audit time period, the significant cash balance within the Access fee fund was being reduced as DSU was expending more than the Access fee moneys collected. Of the Access fee moneys collected in fiscal years 2013 and 2014, approximately 70% of the total amount was used to pay salary and fringe benefits associated with the distance education program.

Status Fully Implemented.

Recommendation 1-3 **We recommend Dickinson State University make appropriate changes to fees charged to students. At a minimum, the University should:**

- a) **Ensure fees are only charged to students who are expected to utilize the services supported with the fees; and**
- b) **Ensure fees charged to dual credit students are fully disclosed.**

Action Taken DSU has fully disclosed the fees charged to students as the fees are now separated from the tuition rate. Beginning with the Fall 2014 semester, DSU is only charging dual credit students the ConnectND fee and the NDSA fee. However, DSU continues to charge distance education students fees for activities and services the students are unlikely to receive a benefit from (i.e. University fee and Biesiot Activity Center fee).

Status Partially Implemented.

Management Response DSU disagrees. DSU charges fees in conformity with SBHE policy 805.2.

Chapter 1 Tuition and Fees

State Auditor's Concluding Remarks

The response from DSU management does not appear to relate to the status of the recommendation. The response is irrelevant as the purpose of the report is to identify the status of the recommendation, not to argue the reasons for the recommendation being made by our office. Also, the recommendation is not related to compliance with a State Board of Higher Education (SBHE) Policy. The response from DSU appears to be an attempt to divert attention from the actual issue addressed.

Recommendation 1-4

We recommend Dickinson State University use application fee moneys for expenses associated with processing applications.

Action Taken

DSU has significantly decreased the number of expenditures not related to the processing of applications being paid with application fee moneys. However, we identified a limited number of expenditures related to commencement were paid with application fee money during the follow-up audit time period. DSU's response in the original audit stated a process would be developed to ensure application fees support the processing of applications. However, now a DSU representative stated the use of application fee moneys to pay commencement expenses is appropriate.

Status

Partially Implemented.

Management Response

DSU disagrees. SBHE policy 805.3 was amended on November 20, 2014 to codify the appropriate use of application fees for the processing of applications and "other institutional costs" which is consistent with how DSU has utilized application fee revenue.

State Auditor's Concluding Remarks

The response from DSU management appears to justify the use of moneys due to the State Board of Higher Education recently modifying policy. The response is irrelevant as the change occurred after the audit time period.

Recommendation 1-5

We recommend Dickinson State University specifically allocate and/or establish a budget for the use of moneys collected from students through the University fee.

Action Taken

DSU has established a budgeting process for the money collected from students through the University fee. Our review of budget to actual expenditures identified limited instances in which areas receiving University fee moneys exceeded the budgeted amounts for fiscal years 2013 and 2014.

Status

Fully Implemented.

**Chapter 1
Tuition and Fees**

Recommendation 1-6

We recommend Dickinson State University obtain proper approval from the Chancellor when required by State Board of Higher Education policy. At a minimum, the University should obtain approval for:

- a) **Waiving application fees; and**
- b) **Charging less than the resident tuition rate.**

Action Taken

It appears DSU has not waived application fees or charged less than the resident tuition rate without the required approval of the Chancellor. However, we identified DSU had not received Chancellor approval for an attached credit tuition rate. State Board of Higher Education policy states institutions may charge "A fee approved by the chancellor, not to exceed fifty percent of the regular per credit hour tuition charge (resident or non-resident), for attached credit."

Status

Partially Implemented.

Management Response

DSU disagrees. DSU charges an attached credit fee that is much lower than allowed by SBHE policy 805.3. The attached credit fee being referenced in the auditor's report as not having been approved by the Chancellor, was implemented in 2005. DSU did not verify the change was not approved by the Chancellor, only that the documentation of such approval couldn't be located. DSU will obtain Chancellor's approval as required by SBHE policy if a new fee is proposed, or an existing fee amount is changed.

State Auditor's Concluding Remarks

SBHE policy required Chancellor approval and DSU admits no documentation could be located related to approval being granted. Thus, we have no evidence approval was ever granted. In addition, the response from DSU states the University is charging a fee much lower than allowed by SBHE policy. This statement is irrelevant and appears to be an attempt to divert attention from the actual issue addressed.

Chapter 1
Tuition and Fees

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Scholarships and Waivers

Recommendation 2-1 **We recommend Dickinson State University comply with established criteria in the awarding of Roughrider Scholarships.**

Action Taken DSU discontinued awarding new Roughrider Scholarships as of the Fall 2012 semester. Students who had previously been awarded the scholarships were grandfathered in and continued to receive renewals.

Status No longer applicable.

Recommendation 2-2 **We recommend Dickinson State University adequately monitor recipients of Roughrider Scholarships to ensure renewals, revocations, and reinstatements are appropriate and consistent.**

Action Taken DSU has established an Institutional Aid Policy which includes criteria for maintaining Roughrider Scholarship awards as well as a process for revocations, appeals, and reinstatements of the awards. We reviewed information related to ten Roughrider award recipients and two award revocation appeals. It appears DSU is adequately monitoring the awards to ensure they are renewed, revoked, and reinstated in an appropriate and consistent manner.

Status Fully Implemented.

Recommendation 2-3 **We recommend Dickinson State University centralize the Roughrider Scholarship program and ensure all Roughrider Scholarship information is approved and maintained by a single department.**

Action Taken DSU appears to be maintaining applicable documentation for Roughrider Scholarship renewals, revocations, and reinstatements in the Financial Aid Office. In addition, DSU has established a procedure for the scholarship.

Status Fully Implemented.

Recommendation 2-4 **We recommend Dickinson State University establish policies and procedures to ensure institutional scholarships are budgeted, awarded, and monitored appropriately.**

Action Taken DSU is establishing budgets for the dollar amount of institutional scholarships which can be issued. In a review of information, we identified expenditures were within budgets. While the budget still does not identify a specific number of scholarships to be awarded, the significant concerns identified during the original audit related to Roughrider awards as multiple departments were making awards without adequate communication of commitments. This resulted in more awards being made than was budgeted. However, the discontinuation of Roughrider awards alleviates a significant amount of the concerns originally identified.

Chapter 2 Scholarships and Waivers

For other institutional scholarships, awards are typically being made by a particular department/area. For example, the Rodeo Awards are only made by the Rodeo Team coach(s). DSU has established a policy identifying criteria for the major institutional scholarships. In addition, the Financial Aid Office monitors the issuance of scholarships to ensure the recipients meet the minimum requirements to maintain the awards.

Status Fully Implemented.

Recommendation 2-5 We recommend Dickinson State University adequately monitor recipients of Global Awareness and Cultural Diversity Tuition Waivers to ensure renewals, revocations, and reinstatements are appropriate and consistent.

Action Taken DSU has established an Institutional Aid Policy which includes criteria for maintaining Global Awareness and Cultural Diversity Waiver awards as well as a process for renewals, revocations, appeals, and reinstatements of the awards. We reviewed information related to ten Global Awareness Waiver recipients, ten Cultural Diversity Waiver recipients, and five revocation appeals. It appears DSU is adequately monitoring the awards to ensure they are renewed, revoked, and reinstated in an appropriate and consistent manner.

Status Fully Implemented.

Recommendation 2-6 We recommend Dickinson State University centralize the Global Awareness and Cultural Diversity Tuition Waiver programs and ensure all waiver information is approved and maintained by a single department.

Action Taken DSU appears to have centralized the Global Awareness and Cultural Diversity Tuition Waivers by maintaining the documentation in the Financial Aid Office.

Status Fully Implemented.

Recommendation 2-7 We recommend Dickinson State University establish formal policies and procedures for the administration of the Global Awareness and Cultural Diversity Tuition Waivers.

Action Taken DSU has established formal policies and procedures for the administration of the Global Awareness and Cultural Diversity Tuition Waivers.

Status Fully Implemented.

Chapter 2
Scholarships and Waivers

Recommendation 2-8

We recommend Dickinson State University notify the National Association of Intercollegiate Athletics of apparent violations of requirements. At a minimum, the University should report:

- a) Awarding 75% cultural tuition waivers, 100% cultural/global tuition waivers, and Blue Hawk Presidential Out-of-State Tuition scholarships only to athletes; and
- b) Awarding Roughrider Scholarships and Blue Hawk Presidential Out-of-State Tuition scholarships to athletes without involvement from a Committee on Student Loans and Scholarships.

Action Taken

DSU has notified the National Association of Intercollegiate Athletics of the apparent violations and the association's response to the notification indicated DSU is in compliance with applicable requirements.

Status

Fully Implemented.

Chapter 2
Scholarships and Waivers

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Fiscal Related Areas

- Recommendation 3-1** **We recommend Dickinson State University be good stewards of public funds. At a minimum, the University should:**
- a) Adhere to State Board of Higher Education Policy 308.1 and use good judgment to ensure good value is received for every expenditure;**
 - b) Avoid unnecessary and/or unreasonable use of public funds to ensure funds are available for essential purposes; and**
 - c) Create and maintain an organizational culture of accountability and stewardship of public resources.**

Action Taken

DSU appears to have made significant changes in regards to the use of public funds and has decreased the amount of expenses related to food and beverages for banquets, meetings, and other events held by the University. However, we identified concerns in regards to 11 of 30 expenditures reviewed (approximately 37% totaling over \$9,000). The concerns typically related to expenditures from 30000 level funds which are used to account for state general fund moneys as well as institutional collections (i.e. tuition and fees). Examples include:

- Use of public funds for employee functions such as a years of service social and orientation.
- Use of public funds for graduation/commencement type functions.
- Use of public funds for other student recognition functions such as a pinning ceremony, homecoming court dinner, and a luncheon for Theodore Roosevelt scholars, guests and donors.
- Use of public funds for other events such as a theatre banquet.

DSU entered into an early retirement agreement with a former employee requiring the University to make a payment of \$40,366 and to continue to pay the health insurance premium for four years (anticipated cost of approximately \$60,000). Such payments do not appear to violate applicable laws, policies or procedures. However, paying an individual's health insurance for four years after retirement appears unnecessary, unreasonable, and it is unclear how DSU received good value for such expenditures. While it appears DSU has made significant improvements with the use of public funds, the concerns we identified appear to be indicative of the need for additional improvements with the use moneys collected from students and/or the state general fund.

Status

Partially Implemented.

Management's Response

DSU disagrees. All of the examples provided in the Auditor's report are in compliance with SBHE policy and important functions for the purpose of celebrating the accomplishments of students, faculty, and staff.

The early retirement agreement referenced in the Auditor's report was fully in compliance with SBHE policy 703.1. The overall cost of the agreement is codified in SBHE policy, the referenced agreement cost was less than what is allowed under this policy.

Chapter 3 Fiscal Related Areas

State Auditor's Concluding Remarks

The response from DSU states the expenditures and retirement agreement are in compliance with SBHE policy. The statements are irrelevant and appear to be an attempt to divert attention from the actual issue addressed. We do not state DSU is in noncompliance with SBHE policy. However, we continue to identify certain concerns with the use of public funds.

Recommendation 3-2

We recommend Dickinson State University ensure adequate funds exist prior to incurring expenditures.

Action Taken

DSU appears to have established a budgeting process which should assist in decreasing the risk of overspending and having to find resources elsewhere to cover deficits. DSU representatives stated self-funded activities are typically cancelled if enrollment is too low and revenue collected would be insufficient to cover the expenses associated with the activity.

Status

Fully Implemented.

Recommendation 3-3

We recommend Dickinson State University comply with State Board of Higher Education requirements and receipt athletic camp income with the Bank of North Dakota.

Action Taken

DSU appears to be receipting athletic camp fee revenue in the appropriate University funds. Since the University funds are held at the Bank of North Dakota, DSU is complying with applicable State Board of Higher Education requirements.

Status

Fully Implemented.

Recommendation 3-4

We recommend Dickinson State University make improvements with international recruiting agent agreements. If such agreements are to be used, the University should:

- a) Adequately monitor vendors to ensure agreement requirements are met;
- b) Only make commission payments when appropriate; and
- c) Modify payment requirements to ensure students who have previously enrolled at the University do not require another full commission payment to enroll in subsequent semesters.

Action Taken

DSU took action to terminate international recruiting agent agreements as well as the Dual Degree Joint (DDJ), Top Up, and Disney programs. While we identified one agreement was not terminated, it appears DSU has discontinued making payments to agents and universities/colleges for the recruitment of international students.

Status

No longer applicable.

Chapter 3
Fiscal Related Areas

Recommendation 3-5 We recommend Dickinson State University make improvements with contracts and agreements entered into for services. At a minimum, the University should:

- a) Include applicable terms and conditions within contracts and agreements; and
- b) Ensure legal counsel performs appropriate reviews.

Action Taken DSU has implemented a procedure to have legal counsel review contracts, when applicable, prior to entering into the contract. In review of seven contracts, we identified two contracts did not include provisions recommended by the Office of the Attorney General (both contracts were reviewed by legal counsel). Also, in a review of expenditures we identified DSU had not entered into a contract for legal services (vendor received approximately \$22,370 in payments during the audit time period).

Status Partially Implemented.

Management's Response DSU agrees. The issue identified was due to a misunderstanding of whether an attorney with an appointment from the AG's Office to handle immigration matters on DSU's behalf would require a separate contract with Dickinson State. To ensure compliance, a signed contract is now in place.

Recommendation 3-6 We recommend Dickinson State University make improvements in the procurement of services. At a minimum, the University should:

- a) Establish a requirement for procurement of services estimated over a certain dollar threshold to be procured by and/or include an individual who has the appropriate procurement knowledge and training; and
- b) Comply with State Board of Higher Education policies.

Action Taken DSU continues to have various offices and departments procuring services. In addition, DSU has not established requirements regarding the use or inclusion of personnel with appropriate procurement expertise for the procurement of services estimated at a determined dollar threshold. In a review of five procurement processes, we identified apparent noncompliance with laws, policies and/or requirements with four of the processes.

Status Not Implemented.

Management's Response DSU disagrees. DSU is in compliance with SBHE policy 803.1 as the policy does not require the documentation of informal/telephone quotes. The NDUS is reviewing SBHE policy 803.1 for potential amendments that will clarify when informal quotes are to be documented.

State Auditor's Concluding Remarks The response from DSU fails to adequately address all information regarding the status of the recommendation. For procurement

Chapter 3

Fiscal Related Areas

processes, DSU has neither established a requirement for a dollar threshold nor does it include an individual with appropriate procurement knowledge and training. DSU also doesn't address the fact we identified noncompliance with procurement requirements in one process we reviewed which is not related to documenting informal/telephone quotes. While SBHE policy does not specifically state an institution is to document informal/telephone quotes, we find DSU's argument to not maintain such information as unreasonable. It is neither logical nor realistic for DSU to assume it does not need to document such information. The documentation of information identifies compliance with SBHE policy, reduces the risk of conflict of interests, and provides protection to the employee conducting the procurement process.

Recommendation 3-7 **We recommend Dickinson State University require a list of attendees for functions, events, and related activities which have costs associated with food and beverage paid by the University.**

Action Taken DSU appears to have implemented a procedure/practice of obtaining and maintaining list of attendees for events which include meals provided and paid for by the University.

Status Fully Implemented.

Additional Areas Requiring Improvement

Recommendation 4-1 We recommend Dickinson State University make improvements to foster open communication and coordinate efforts of departments/offices.

Action Taken DSU has restructured departments/offices and their reporting relationships to assist in coordinating efforts and increase communication. We interviewed ten employees to obtain information related to communication. Three of the ten employees indicated there is a fear of retaliation if they were to disagree or bring an issue to upper management.

Status Partially Implemented.

Management's Response DSU disagrees. DSU has taken significant steps since February 2012 to improve upon campus communication. The following actions have been implemented:

- President's Cabinet notes distributed campus-wide
- Provosts Council meeting notes distributed campus-wide
- Combined the departments of Communication, Financial Aid, Enrollment Services, and International Recruitment to improve communication and services
- Held several open forums to keep the campus updated on issues
- Continue the "Our DSU" campus update semi-monthly
- "Provost Boasts" are sent to the campus community by the DSU Provost/VPAA to highlight campus and individual accomplishments
- Provost hosts a question and answer noon luncheon once per month to address questions from faculty and staff
- Staff, faculty, and student senate presidents are members of the President's Cabinet
- Vice President for Finance and Administration is an ex-officio member of the Staff senate

DSU employees can report issues anonymously using the Eide Bailly hotline. Since the issuance of the Performance Audit report in February 2012, no reports have been filed suggesting the fear of retaliation.

State Auditor's Concluding Remarks DSU appears to believe the fraud hotline provides a means for employees to file a report regarding the fear of retaliation. We question whether DSU is aware of the actual purpose of the fraud hotline. This hotline "is available to report suspected fraudulent behavior" (according to the University System Office website). DSU should not rely on the fraud hotline as a mechanism for fostering open communication

Recommendation 4-2 We recommend Dickinson State University's Office of Enrollment Services only enroll individuals as students when required documentation is completed and submitted to the office.

Chapter 4

Additional Areas Requiring Improvement

Action Taken DSU appears to have stopped inappropriately enrolling individuals attending events such as the Theodore Roosevelt Symposium as DSU students. Also, the Office of Enrollment Services appears to be receiving required documentation from newly enrolled students.

Status Fully Implemented.

Recommendation 4-3

We recommend Dickinson State University establish a formalized monitoring process to review compliance with academic standards and to validate the academic integrity of the University.

Action Taken DSU appears to have established a process for monitoring academic integrity and compliance with academic standards by periodically reviewing faculty grading. DSU also established a centralized repository for maintaining course syllabi. As part of the process for monitoring faculty grading practices, DSU has created Performance Improvement Plans. These plans are being established for faculty members identified as needing improvements with grading practices.

Status Fully Implemented.

Recommendation 4-4

We recommend Dickinson State University conduct a formal review of classes offered, taking into consideration costs, enrollment in classes, and fields of study, and take appropriate action to ensure resources are used in an efficient manner.

Action Taken DSU is reviewing courses to ensure they have an appropriate number of enrolled students to productively run the courses and to ensure resources are used efficiently. DSU has also established an Adjunct Faculty Salary Schedule & Overload Compensation Rate Policy which identifies a target number of enrolled students in a course as well as options for classes if they do not meet the minimum student enrollment target. This includes canceling the class or a voluntary enrollment-based compensation proration at the discretion of the instructor.

Status Fully Implemented.

Recommendation 4-5

We recommend Dickinson State University make changes to the admission process for international students. At a minimum, the University should:

- a) **Establish a standard scoring system to measure the language proficiency of applicants;**
- b) **Require all applicants to take tests which are appropriately administered; and**
- c) **Ensure all appropriate documentation is received prior to admitting an applicant.**

Action Taken Since the original audit, SBHE policies and NDUS procedures related to admission processes have been modified. We reviewed five newly

Chapter 4

Additional Areas Requiring Improvement

admitted international students. We identified compliance with the established language proficiency requirements. However, DSU did not obtain and/or maintain documentation required by SBHE policies related to the admission process. For example, DSU was unable to provide documentation of required meningococcal conjugate vaccinations for the five students reviewed.

Status Partially Implemented.

Management's Response DSU agrees. A process has been put in place to ensure that required documentation is not only collected at the time of matriculation, however are also maintained in the appropriate files.

Recommendation 4-6

We recommend Dickinson State University take appropriate action when visa requirements are not being maintained or met.

Action Taken DSU appears to be taking appropriate action when visa requirements are not being maintained or met.

Status Fully Implemented.

Recommendation 4-7

We recommend Dickinson State University comply with State Board of Higher Education policies related to merit based salary increases. At a minimum, the University should:

- a) Modify its Salary Administration Policy to include requirements related to merit based salary increases; and**
- b) Ensure merit based salary increases are supported by current performance reviews.**

Action Taken DSU's Salary Administration Policy has been modified and now includes requirements related to merit based salary increases including language stating the increases are to be based on written annual performance reviews. Also, in a review of ten employee files it appears performance reviews are being completed prior to merit increases.

Status Fully Implemented.

Recommendation 4-8

We recommend Dickinson State University comply with State Board of Higher Education policies related to performance reviews and ensure annual reviews are completed for all benefited employees.

Action Taken Based on a review of ten employee files, DSU appears to be completing annual performance reviews.

Status Fully Implemented.

Chapter 4 Additional Areas Requiring Improvement

Recommendation 4-9 We recommend Dickinson State University comply with Code of Conduct requirements and ensure the required individual completes an investigation.

Action Taken

DSU has modified the Code of Conduct Policy to increase the involvement of appropriate individuals in the investigation process. Since the original audit, there has been one Code of Conduct investigation. An employee identified in the policy as being responsible for the investigation of a violation complaint was involved in the investigation process. However, a portion of the responsibilities were delegated to an individual who was not identified as an appropriate investigator in the policy.

Status

Partially Implemented.

Management's Response

DSU disagrees. DSU's response in the original performance audit report said "In future investigations of alleged Code of Conduct violations, the person leading the investigation will lead the process and play the central role to assure that the process is conducted effectively, fairly, in a timely manner, and to an appropriate conclusion". That is exactly how DSU conducted the one incident reported since February 2012. The investigation was led by the Controller, however utilized the assistance of the Dean of Arts and Sciences to determine the appropriate sanction(s), as the supervisor of the person accused of the violation.

State Auditor's Concluding Remarks

The response from DSU is inaccurate and misleading. While DSU claims the investigation used the assistance of the Dean to determine appropriate sanction(s), this was not the only work requested to be done by the Dean. The letter from the Controller requested the Dean to review information and the Code of Conduct and "determine if there has been a violation . . ." The Dean makes a determination as to the information reviewed. It is clear the Dean provided more than assistance on the sanction. Regardless, while DSU claims it followed what their response in the original audit says, the University never changed the Code of Conduct policy to match the statement (this policy was subsequently changed after our office addressed the issue). As such, when the investigation was handled in the manner it was, DSU was in noncompliance with the established policy.

Recommendation 4-10 We recommend Dickinson State University make improvements with the hiring process. At a minimum, the University should:

- a) Ensure all applicants applying for positions at the University are treated in a fair and equal manner; and
- b) Maintain documentation supporting the hiring decision.

Action Taken

DSU has made improvements in the hiring process to assist in ensuring applicants are treated in a fair and equal manner. However, based on a review of five hiring files it appears DSU still needs to make

Chapter 4 Additional Areas Requiring Improvement

improvements with maintaining documentation supporting the hiring decision.

Status

Partially Implemented.

Management's Response

DSU disagrees. The auditor's identified one search ranking sheet that had not been compiled. The ranking sheet is utilized to determine which candidates are to be interviewed. In this instance, it was irrelevant as all seven candidates for the position were interviewed.

State Auditor's Concluding Remarks

The DSU response is inaccurate and misleading. We provided information to DSU clearly identifying our concerns were more than just one instance in which a ranking sheet was not completed. In fact, the Coordinator of Human Resources even concurred an error was made in the completion of a ranking sheet. In addition, the Coordinator of Human Resources admitted another hiring process had a "collection oversight" as a ranking sheet was not in the file provided to our office and the Coordinator was unable to locate it.

Recommendation 4-11

We recommend Dickinson State University take the necessary action to ensure appropriate access to computer systems. At a minimum, the University should:

- a) Ensure adequate policies and procedures are established to restrict access privileges/assign appropriate roles to user IDs; and**
- b) Ensure adequate reviews of security/user roles are being performed.**

Action Taken

DSU established procedures for the use of the shared ID we identified in the original audit. According to the procedures, a supervisor is to sign in students using a generic, shared ID. The supervisor is to maintain a log for 30 days identifying the time each student was logged in and the work performed. However, DSU is still using shared ID's and the 30 day time period is not sufficient. In addition, adequate reviews of security/user roles are not being performed.

Status

Partially Implemented.

Management's Response

DSU agrees. DSU has made significant progress, however more needs to be accomplished, specifically with respect to the review of roles assigned to personnel with access to administrative systems.

Recommendation 4-12

We recommend Dickinson State University establish policies and procedures regarding the use of student housing by non-students. At a minimum, the University should:

- a) Establish criteria for the use of student housing;**
- b) Develop contract terms and conditions; and**
- c) Develop a rate setting process.**

Chapter 4

Additional Areas Requiring Improvement

<i>Action Taken</i>	DSU has established a Non-Student Housing Policy which includes criteria for the use of campus housing by non-students, requirements for contracts, and a rate setting process. However, DSU was unable to identify/provide the contracts for the four individuals we requested documentation for as part of our review.
<i>Status</i>	Partially Implemented.
<i>Management's Response</i>	DSU agrees. DSU has established a policy of requiring residence life contracts completed for non-students living in DSU apartments.
<i>State Auditor's Concluding Remarks</i>	The DSU response is misleading and appears to be an attempt to divert attention from the actual issue addressed. The recommendation status is based on the fact DSU did not have contracts for any of the individuals we reviewed. This occurred even though DSU policy required a contract be entered into.