

July 9, 2024

Board of Regents
Northern Oklahoma College
1220 East Grand Avenue
Tonkawa, OK 74653-0310

Re: Report on Internal Audit Type Monitoring Activities – NOC

Members of the Board:

Northern Oklahoma College (NOC) engaged Crawford and Associates, P. C. to provide certain professional services as identified in the Scope and Objectives of Our Services section below. This report describes the scope and objectives of our services, the specific procedures we performed, our findings and recommendations, and NOC management's responses to our findings and recommendations.

Scope and Objectives of Our Services

The scope of our professional services was limited to performing certain consulting services designed to assist the NOC Board in meeting its fiduciary responsibilities. These services were performed in accordance with the standards applicable to consulting engagements of the American Institute of Certified Public Accountants. With regards to this specific engagement, the scope of our services included certain internal audit type monitoring procedures in the following areas at NOC:

- Miscellaneous Claims Encumbrance and Pre-Audit System
- Athletics
- Clery Act
- Follow-up on Prior Year Recommendations

The objectives of our services in this engagement were to obtain information and review selected accounting records to determine whether any recommendations are warranted regarding the design of established internal control policies and procedures, and to report on the level of compliance with those policies and procedures as designed based on our test work.

Miscellaneous Claims Encumbrance and Pre-Audit System

Procedures Performed:

To accomplish the stated objectives, we performed the following procedures:

- Obtained and reviewed NOC policies and procedures, and State laws and regulations regarding the Miscellaneous Claims Encumbrance and Pre-Audit System as established by the Oklahoma State Regents for Higher Education (OSRHE) and the Office of Management and Enterprise Services (OMES).
- Obtained and reviewed prior OMES Quality Control Compliance Review reports for claims processed by NOC through the Miscellaneous Claims Encumbrance and Pre-Audit System; and
- Selected a random sample of claims processed by NOC through the Miscellaneous Claims Encumbrance and Pre-Audit System for testing compliance with the established internal control policies and procedures and applicable State laws and regulations. Such testing was designed to meet the OMES Internal Audit Procedures Minimum Requirements.

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Procedures Performed - continued:

We identified a population of 3,806 claims processed through the Miscellaneous Claims Encumbrance and Pre-Audit System for the audit scope period of June 2023 through March 2024. We randomly selected 30 claims to be tested. This represents approximately one percent (0.79%) of the total claims processed by the College for the period.

Findings:

- All claims tested were properly approved with the mandatory certification statement.
- All claims tested appeared to be for a public purpose and were expended appropriately.
- All claims tested contained documentation of proper receipt and evidence of payment approval.
- All claims tested were properly calculated and agreed to supporting documentation.
- Twenty-nine (97%) of the 30 claims tested were properly encumbered prior to the receipt of goods and/or services. The following claim was not encumbered prior to the receipt of goods and/or services:

Claim Number	Payee	Invoice Date	Encumbrance Date	Amount
252426	Jack's Outdoor Power Equipment	6/27/2023	1/12/2024	\$ 460.44

- Twenty-nine (97%) of the 30 claims tested had proper vendor identification information that agreed to a vendor invoice and/or other supporting documentation. The following claim listed the customer number instead of the vendor invoice number on the OMES Form 15A:

Claim Number	Payee	Invoice Number Entered	Correct Invoice Number	Amount
250865	Shred-It	1000118871	8005146657	\$ 69.55

- Twenty-nine (97%) of the 30 claims tested included the proper State Account Code. The following claim had a minor misclassification:

Claim Number	Payee	Account Code Used	Correct Account Code	Amount
249978	Brant & Associates	531180	515620	\$ 58.59

The following is a list of the State Account Codes referenced above with a brief description for each:

Account Code Number	Account Code Description
531180	Bank Service Charges
515620	Collection Agencies

- Twenty-eight (93%) of the 30 claims tested were properly recorded in the appropriate fiscal year of expenditure. The following claims were not recorded in the correct fiscal year of expenditure:

Claim Number	Payee	Fiscal Year Listed	Correct Fiscal Year	Invoice date/period
248238	Davis, Tamera	FY24	FY23	6/03/2023
247908	AACRAO	FY23	FY24	FY24

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Recommendations:

1. We recommend College management reinforce with the appropriate staff compliance with the designed internal control procedure to ensure that all claims are properly encumbered prior to receipt of goods and services in accordance with the OMES Procedures Manual.
2. We recommend College management reinforce with the appropriate staff compliance with the designed internal control procedure to ensure that all claims have information that properly agrees to the corresponding vendor invoice in accordance with the OMES Procedures Manual.
3. We recommend College management reinforce with the appropriate staff compliance with the designed internal control procedure to monitor account coding to ensure that all claims are properly recorded using the correct State account code in accordance with the OMES Procedures Manual.
4. We recommend College management reinforce with the appropriate staff compliance with the designed internal control procedure to monitor coding to ensure that all claims are properly recorded in the appropriate fiscal year in accordance with the OMES Procedures Manual.

Management Responses:

1. Management agrees with the recommendation.
2. Management agrees with the recommendation.
3. Management agrees with the recommendation.
4. Management agrees with the recommendation.

Athletics

Procedures Performed:

To accomplish the stated objectives, we performed the following procedures:

- Obtained and reviewed policies and procedures regarding athletics, specifically the NJCAA Handbook Article V – Student-Athlete Eligibility, Section 2-Academic Eligibility, and Section 3-Compliance. We also reviewed Article VI – Grants-in-Aid and Recruitment, Section 1-Scholarships and Grants-in-Aid, and Section 2-Letters of Intent. And, we conducted interviews with appropriate College management and personnel.
- Selected a random sample of 35 (20.0%) athletic scholarship recipients from a total of 175 athletic scholarships for the audit scope period of June 2023 – March 2024. For each athletic scholarship recipient selected, we reviewed their files from the Office of the Athletic Director to determine whether all required documentation was present and properly completed in accordance with the NJCAA Rules of Eligibility. Specifically, we performed the following procedures:

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Procedures Performed – continued:

- Reviewed enrollment records and verified the number of hours enrolled and completed for the appropriate semesters.
- Reviewed proof of the College's electronic submission of eligibility rosters for each respective sport.
- Reviewed college transcripts (past, present, and transfer) and verified the number of terms previously enrolled, hours completed, semester GPA, and cumulative GPA.
- Reviewed high school transcripts or proof of GED and noted the date of graduation from high school or receipt of GED.
- Reviewed the signed copy of the Letter of Intent (LOI) and noted the type and amount of aid promised to the student-athlete.
- Reviewed disbursement records to determine whether the type and amount of aid awarded and disbursed to the student-athlete agreed to the type and amount of aid promised to the student-athlete per the signed Letter of Intent (LOI).
- Reviewed the "Break in Enrollment" statement, if applicable, explaining why a student-athlete was not in college.
- Reviewed a copy of the sport's schedule.
- Reviewed a copy of the team roster.

Findings:

- All student-athlete files tested had the proper enrollment records and number of hours enrolled and completed for the appropriate semesters.
- All student-athlete files tested had proof of the College's electronic submission of eligibility rosters.
- All student-athlete files tested had the proper college transcripts present, and the number of terms previously enrolled, hours completed, semester GPA, and cumulative GPA.
- All student-athlete files tested had the proper high school transcript or proof of GED present and noted with the date of graduation from high school or receipt of GED.
- All student-athlete files tested had signed LOI's present.
- All student-athlete files tested had disbursement records that agreed to the type and amount of aid promised to the student-athlete per the signed LOI, with the exception of three student-athletes.
 - One student-athlete was awarded \$1,062 in additional scholarships from the College that should have been paid by the NOC Foundation.
 - Two student-athletes had LOI's that did not include notation for the Full Non-Resident Tuition Waiver.
- All student-athlete files tested had the proper "Break in Enrollment" statement present, if applicable.
- All student-athlete files tested had a copy of the sport's schedule present.
- All student-athlete files tested had a copy of the team roster present.

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Recommendation:

We recommend College management reinforce with the appropriate staff the requirement to ensure that the amount of aid promised to student-athletes in their LOI matches the actual amount applied to the student-athletes account during the academic year.

Management Response:

Management agrees with the recommendation.

Clery Act

Procedures Performed:

To accomplish the stated objectives, we performed the following procedures:

- Obtained and reviewed the College's most recently submitted Annual Security and Fire Safety Report (the Annual Report) to ensure the required elements were reported as required by *Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act)*, *The Clery Act Appendix for the FSA Handbook* published by the U.S. Department of Education, and Title 34 CFR 668.46.
- We also conducted interviews with the appropriate College staff responsible for preparing the Annual Report to determine if procedures were in place for the annual reporting process. As applicable, we also requested supporting documentation to help further substantiate compliance.

Findings:

During our discussions with College staff responsible for the annual reporting process, it appears that staff are aware of their reporting responsibilities, and that the Annual Report has been written to address the applicable requirements.

However, during our review of the Annual Security Report, we identified the following areas which need to be addressed during the annual reporting process and included in the Annual Report:

- A statement of current policies concerning security of and access to campus facilities, including campus residences, and security considerations used in the maintenance of campus facilities.
- A description of the type and frequency of programs designed to inform students and employees about campus security procedures and practices and to encourage students and employees to be responsible for their own security and the security of others.
- Include the classification of "gender identity" within the section of identified hate crimes.
- For missing students:(i) Indicate a list of titles of the persons or organizations to which students, employees, or other individuals should report that a student has been missing for 24 hours.
- Options regarding law enforcement and campus authorities, including notification of the victim's option to—
(cc)decline to notify such authorities.
- Where applicable, the rights of victims and the institution's responsibilities regarding orders of protection, no contact orders, restraining orders, or similar lawful orders issued by a criminal, civil, or tribal court.

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Recommendation:

We recommend College management responsible for the Annual Security Report review current policies and disclosures made in the report and provide any updates needed to ensure compliance with *The Handbook for Campus Safety and Security Reporting* published by the U.S. Department of Education and Title 34 CFR 668.46.

Management Response:

Management agrees with the recommendation.

Follow-up on Prior Year Recommendations

- Miscellaneous Claims Encumbrance and Pre-Audit System: Based on our follow-up procedures, although there are similar current period findings, it appears our recommendations regarding obtaining mandatory certification signatures, proper encumbrance, proper invoice date, and proper account coding have been implemented.

We would like to express our appreciation for all the courtesy and assistance we received from staff during our work at the College and hope that this report will be of benefit to NOC.

Crawford & Associates, P.C.

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