

# STATE OF NORTH CAROLINA

OFFICE OF THE STATE AUDITOR

BETH A. WOOD, CPA

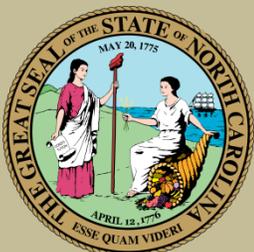


## THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

GREENSBORO, NORTH CAROLINA

STATEWIDE FEDERAL COMPLIANCE AUDIT PROCEDURES

FOR THE YEAR ENDED JUNE 30, 2021



**NC OSA**  
The Taxpayers' Watchdog



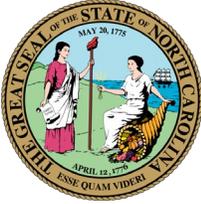
**Beth A. Wood, CPA  
State Auditor**

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STATE OF NORTH CAROLINA  
**Office of the State Auditor**



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State Auditor

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## AUDITOR'S TRANSMITTAL

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The Honorable Roy Cooper, Governor  
The General Assembly of North Carolina  
Dr. Franklin D. Gilliam, Jr., Chancellor  
The University of North Carolina at Greensboro

As part of our audit of the State of North Carolina's compliance with the types of requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs, we have completed certain audit procedures at The University of North Carolina at Greensboro (University) for the year ended June 30, 2021.

We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our audit objective was to express an opinion on the State of North Carolina's compliance for each of its major federal programs. However, the audit results described below are in relation to our audit scope at the University and not to the State of North Carolina as a whole. The State Auditor expresses an opinion on the State of North Carolina's compliance with requirements applicable to its major federal programs in the State's *Single Audit Report*.

Our federal compliance audit scope at the University included the Student Financial Assistance Cluster.

Our audit was performed by authority of Chapter 147, Article 5A of the *North Carolina General Statutes*.

### Compliance

The results of our audit procedures at The University of North Carolina at Greensboro disclosed no instances of noncompliance that are required to be reported in accordance with the Uniform Guidance.

### Internal Control Over Compliance

In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major

federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, material weaknesses and significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we consider the deficiency described in the Finding, Recommendation, and Views of Responsible Officials of the Auditee section to be a significant deficiency in internal control over compliance.

The University of North Carolina at Greensboro's Response to the Finding

The University's response to the finding identified in our audit is included in the Finding, Recommendation, and Views of Responsible Officials of the Auditee section of this transmittal. The University's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

Purpose of This Transmittal

The purpose of this transmittal is solely to describe the scope of our testing of internal control over compliance and testing of compliance and the results of that testing at the University based on the requirements of the Uniform Guidance. Accordingly, this transmittal is not suitable for any other purpose.

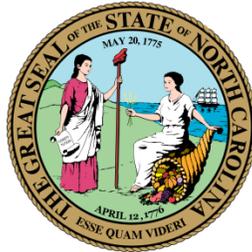
*North Carolina General Statutes* require the State Auditor to make audit reports available to the public. Copies of audit reports issued by the Office of the State Auditor may be obtained through one of the options listed in the back of this transmittal.



Beth A. Wood, CPA  
State Auditor

Raleigh, North Carolina

March 30, 2022



**FINDING,  
RECOMMENDATION, AND  
VIEWS OF RESPONSIBLE  
OFFICIALS OF THE  
AUDITEE**

**Matters Related to Federal Compliance Audit Objectives**

## ENROLLMENT STATUS REPORTING ERRORS

The University did not accurately report enrollment status changes to the National Student Loan Data System (NSLDS) for students who received federal financial assistance. During the audit period, the University disbursed approximately \$121.5 million in federal financial assistance funding to 13,133 students subject to this reporting requirement.

Auditors tested the enrollment status reporting for a sample of 60 students who received federal financial assistance and whose enrollment status changed. Two (3%) students were reported with an incorrect status change.

Failure to report student enrollment status changes to NSLDS could impact student Pell and Direct Loan eligibility.

According to University management, the errors occurred because the University did not review a specific error report provided by the National Student Clearinghouse<sup>1</sup> (Clearinghouse), which identifies potential graduate errors that need to be resolved prior to submission to NSLDS. The University was not aware of this report due to the loss of knowledge resulting from employee turnover. Additionally, the University did not monitor the information reported to NSLDS through the Clearinghouse to ensure its agreement with University records.

Federal regulations<sup>2</sup> require the University to accurately report student status changes to NSLDS. In addition, the NSLDS Enrollment Reporting Guide states that the University is ultimately responsible for accurate reporting.

*Federal Award Information:* Federal Awarding Agency: U.S. Department of Education; Assistance Listing Numbers (titles): 84.063 (Federal Pell Grant Program) and 84.268 (Federal Direct Student Loans); Federal Award Identification Numbers (award period): P063P201962 and P268K211962 (July 1, 2020 - June 30, 2021).

*Recommendation:* University management should implement contingency plans to reduce the risk of inaccurate reporting due to employee turnover. University management should also implement monitoring procedures to ensure accurate reporting of enrollment status changes to NSLDS through the Clearinghouse.

*Views of Responsible Officials of the Auditee:* See page 4 for The University of North Carolina at Greensboro's response to this finding.

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<sup>1</sup> A third-party service provider the University uses to report student enrollment status changes to the NSLDS.

<sup>2</sup> 34 CFR 690.83 and 34 CFR 685.309.



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11/05/2021

The Honorable Beth A. Wood, State Auditor  
Office of the State Auditor  
2 South Salisbury Street  
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Raleigh, North Carolina 27699-0600

Dear Auditor Wood:

We are providing the written response for the findings identified in connection with your audit of the major federal programs of the State of North Carolina for the year ended June 30, 2021, in accordance with the Single Audit Act and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 22, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). A response has been prepared for the audit finding below.

**Enrollment Status Reporting Errors**

**OSA Recommendation:** University management should implement contingency plans to reduce the risk of inaccurate reporting due to employee turnover. University management should also implement monitoring procedures to ensure accurate reporting of enrollment status changes to NSLDS through the Clearinghouse.

**Agency Response:** UNCG agrees with the finding and recommendation.

Per discussions with UNCG's National Student Clearinghouse (NSC) representative, we have identified a new way to report the enrollment records to NSC that will result in less errors. The Enrollment Reporting procedures in the University Registrar's Office have been updated to include a review of the specific error report generated by NSC where these errors would be identified. The University Registrar's Office has already begun the process to update the records of students currently with a graduate error and the process is approximately 75% complete.

Dr. Chris Partridge, University Registrar in the Division of Enrollment Management is responsible for implementing the corrective action. The process of updating the enrollment status for students with graduate errors has begun and it should be completed by December 15, 2021.

Sincerely,

A handwritten signature in black ink, appearing to read "Franklin D. Gilliam, Jr.", with a long horizontal line extending to the right.

Dr. Franklin D. Gilliam, Jr., Chancellor

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This audit required 427 hours at an approximate cost of \$45,262.