



**Winston-Salem State University / University of North Carolina School of the Arts  
Office of Internal Audit & Institutional Compliance**

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TO: Robert Muhammad, Director of Financial Aid

FROM: Shannon B. Henry, Chief Audit Executive

DATE: April 27, 2015

SUBJECT: **Follow-up Review of Audit Findings included in the OSA Statewide Federal Compliance Audit Report concerning WSSU**

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North Carolina G.S. 116-30.1 requires that Winston-Salem State University (WSSU) make satisfactory progress in resolving Office of State Auditor (OSA) findings within a three-month period. Therefore, Internal Audit is conducting a follow-up review of OSA's Statewide Federal Compliance Audit Procedures Report released on April 1, 2014. The objective of this follow-up review is to determine if management has implemented corrective actions based upon OSA's recommendations. The recommendations were as follows:

- The University should implement procedures to ensure required student enrollment changes are reported timely and accurately to the Department of Education;
- The University should implement procedures to ensure that required reconciliations are completed timely and accurately; and
- The University should implement procedures to ensure that required notifications are being supplied to the student or parent.

We expect the fieldwork to begin on May 4, 2015. A draft report will be issued at the conclusion of fieldwork. The purpose of the draft report is to obtain OSA's agreement regarding the University's progress toward resolution of the findings. Once we are in agreement, we will issue a final copy of the report to the Vice President for Audit and Compliance Services at the University of North Carolina General Administration Office. The goal is that the University achieves satisfactory progress toward resolving the findings in the OSA report in order to maintain its designation as a special responsibility constituent institution.

We will require assistance directly from you and your staff during the course of our work, including providing the necessary information to complete our procedures as well as answering relevant questions or providing explanations to issues encountered during our testing. We appreciate your commitment to providing the necessary information so that we may adhere to the 90-day reporting deadline.

We will be contacting you shortly to schedule a meeting to discuss our objectives and begin coordinating the advance preparation and audit sampling activities. We would appreciate obtaining the following items, in electronic format if possible, by May 4, 2015:

- List of authoritative guidance applicable to the audit findings identified in OSA's report;
- List of corrective actions implemented since the audit;
- Updated policies and procedures;
- List of preventative and/or detective measures implemented since the audit;
- Current organizational chart(s);
- List of reports, systems and/or Banner forms and screens used in processing student financial aid awards, specifically for the following processes identified in the report:
  - Enrollment reporting, including changes;
  - Direct loan reconciliations; and
  - Notifications to students regarding Title IV funding; and
- List of resource needs in areas where compliance objectives and targets are to be achieved along with evidence to substantiate any identified resource constraints.

The following individuals will be involved in this review:

- Shannon B. Henry, Chief Auditor
- Stacy Sneed, Audit Manager
- Rod Isom, Auditor

We will distribute the copies of our final report to Ms. Lynne Sanders, Vice President for Compliance and Audit Services for UNC-GA; Beth A. Wood, State Auditor; Elwood L. Robinson, Ph.D., Chancellor; Dr. Brenda Allen, Provost and Vice Chancellor of Academic Affairs, Dr. Randy Mills, Interim Vice Chancellor for Finance and Administration; Mr. Ben McLawhorn, Risk Mitigation Services Manager – the Office of the State Controller, and the Audit Committee of the Winston Salem State University Board of Trustees.

Please indicate your agreement with the terms set forth by signing as indicated below. If you have any particular areas of concern that you would like us to consider we will be happy to meet and discuss. Please direct all inquiries to Shannon B. Henry at 750-2020, or Stacy Sneed at 750-2028.

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Robert Muhammad, Director of Financial Aid  
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*Shannon B. Henry, Chief Audit Executive /*  
*Date*

cc: Elwood L. Robinson, Ph.D., Chancellor  
Dr. Brenda A. Allen, Provost and Vice Chancellor for Academic Affairs  
Dr. Randy W. Mills, Interim Vice Chancellor for Finance and Administration