PROPOSED BOARD ACTION

Accept the Office of Continuing Education and Off-Campus Programs Audit Report provided on March 20, 2014 to President Wilson Bradshaw, Provost & Vice President for Academic Affairs Ronald Toll, Senior Associate Provost & Associate Vice President for Planning & Institutional Performance Paul Snyder, and Executive Director of Continuing Education Paul Thornton.

BACKGROUND INFORMATION

This report presents the results of a limited scope audit of the revenue collection processes of the Office of Continuing Education and Off-Campus Programs (Continuing Education) during the 2012-2013 year. The audit objectives were to determine how the Office of Continuing Education and Off-Campus Programs assesses and collects program revenues for all of its related programs and whether internal controls pertaining to the revenue collections for all program locations are adequate and appropriate. The third objective was to determine the adequacy of security related to personal information collected from program participants at all locations.

The audit was part of the 2013-2014 internal audit work plan approved by the FGCU Board of Trustees at its June 18, 2013 meeting.

Upon acceptance of the report by the FGCU Board of Trustees, a copy of the report will be sent to the Board of Governors as required.

Supporting Documentation Included: Office of Continuing Education and Off-Campus Programs Audit Report Issued March 20, 2014

Prepared by: Director of Internal Audit Carol Slade

Legal Review by: Vice President and General Counsel Vee Leonard (March 19, 2014)

Submitted by: President Wilson G. Bradshaw
INTEROFFICE MEMORANDUM

To: Dr. Ronald Toll, Provost & Vice President, Academic Affairs
    Dr. Paul Snyder, Associate Provost & Associate Vice President, Planning and Institutional Performance
    Dr. Paul Thornton, Executive Director, Continuing Education

Cc: Dr. Wilson Bradshaw, President
    Susan Evans, Vice President & Chief of Staff

From: Jena Valerioti, Internal Auditor
    Carol Slade, Director, Internal Audit

Date: March 20, 2014

Re: Continuing Education Audit (FINAL REPORT)

Please see the attached final report of the Office of Continuing Education and Off-Campus Programs Audit, which includes the management response. The report is dated March 10, 2014, which is the date Internal Audit received the management response from the Executive Director of Continuing Education.

On March 19, 2014, Vee Leonard, General Counsel, completed a legal review of the audit report.

The audit was performed by Jena Valerioti, Internal Auditor and reviewed by Carol Slade, Director, Internal Audit.
Florida Gulf Coast University
Office of Continuing Education and Off-Campus Programs Audit
Internal Audit Report
Report Date: March 10, 2014
OFFICE OF CONTINUING EDUCATION
AND OFF-CAMPUS PROGRAMS AUDIT

EXECUTIVE SUMMARY

This Report represents a limited-scope audit of the revenue collection processes of the Office of Continuing Education and Off-Campus Programs (Continuing Education) during the 2012-2013 year. Audit objectives did not include an assessment of course offerings and instruction. Continuing Education provides "... public sector training, development, and technical assistance needs, educational opportunities that enrich the intellectual, civic, economic, and cultural life of the region and the state; and, through the Renaissance Academy, offer retirees and other citizens educational programming that keeps their minds intellectually, creatively, and culturally active."

In our opinion, Continuing Education’s revenue collection procedures meet the requirements of University policies and procedures. However, four observations and recommendations were noted to enhance operational and revenue collection procedures.

OBJECTIVES

A. Determine how the Office of Continuing Education and Off-Campus Programs assesses and collects program revenues for all of its related programs.

B. Determine whether internal controls pertaining to the revenue collections for all program locations are adequate and appropriate.

C. Determine the adequacy of security related to personal information collected from program participants at all locations. This information may include the name, address, telephone numbers, and any related financial information included on checks or credit card payments.

This limited scope audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors. The audit procedures provided a reasonable basis for our opinion and the following reportable observations and recommendations.

AUDIT SCOPE. – End of Fieldwork was January 14, 2014

The scope of the audit included a review of Continuing Education’s revenue collection activities during the period from July 1, 2012 to June 30, 2013. Our audit focused on related policies and procedures and internal controls.
BACKGROUND

Continuing Education provides for continual learning through private and public sector professional development, training and certification courses, as well as open enrollment courses for local community members. Continuing Education has two primary components referred to as the Renaissance Academy and the Institute of Government (IOG). The Renaissance Academy offers non-credit, open enrollment courses to community members in Lee, Charlotte and Collier Counties. The IOG works with local governments, businesses and non-profits to provide training and educational opportunities within Southwest Florida. Additionally, Continuing Education has established agreements with third party providers who offer courses advertised on the Continuing Education website. These third party course providers are responsible for their own enrollment processes; however, the University receives a portion of the course fee.

Course registrations are done online or at three locations, the Naples Center, the Atrium Executive Center (Fort Myers) and Herald Court (Punta Gorda). For open enrollment courses offered by the Renaissance Academy and IOG, Continuing Education utilizes GoSignMeUp. GoSignMeUp is online software that manages registration, course offerings, enrollment information, registrant information and payment processing.

OBSERVATIONS AND RECOMMENDATIONS

1. Observation

The Naples Center and Atrium Center, as components of the Renaissance Academy, offer a variety of pricing and processing options that are specific to their operations. Examples include:

- Courses offered at discounted prices to volunteers and instructors.
- Membership holders eligible to participate in a 4 plus 1 program where they pay for 4 courses and receive a course for free.
- Pro ration of fees due to participating in less than the total number of class sessions.
- Selling and accepting gift cards as a form of payment.

Any deviation from the standard course pricing should be documented to minimize inappropriate or inaccurate pricing. During the period under review, these pricing differences were not documented in the comprehensive Revenue Collection Procedures Manual.

Recommendation

It is recommended that The Renaissance Academy establish specific documented policies and procedures that relate to specialized pricing options and include them in the Revenue Collection Procedures Manual. It is recommended that the policies and procedures be approved by the Executive Director of Continuing Education.
Management Response

We acknowledge your observation regarding lack of documentation related to pricing and processing options.

- However, our welcome package to all Renaissance Academy moderators and guest speakers that we provide to them prior to the start of each term clearly states our policy with regard to discounted courses. The "4 plus 1" program is set forth in the Renaissance Academy catalog. In the case of both of these special pricing provisions, we will ensure they are also documented in our Revenue Collection Procedures Manual, approved by the Executive Director of Continuing Education, and consistently applied across the Renaissance Academy sites.
- Similarly, we will ensure our policy regarding proration is documented in the Revenue Collection Procedures Manual.
- Deviations from standard pricing are supposed to be noted in Go Sign Me Up. No staff member is permitted to deviate from standard pricing without documenting such in our online registration system. We will reiterate that to the staff as well as note the same in our Revenue Collection Procedures Manual.

This recommendation will be addressed right away in terms of necessary reminders to Continuing Education staff. The Continuing Education Revenue Collection Procedures Manual will be revised accordingly as our peak season winds down, and no later than April 30. Responsible individual: John Guerra, Director, Renaissance Academy

2. Observation

In certain instances, Renaissance Academy course participants and their guests registered and paid as a single transaction. Based on a sample selection of 44 courses, six courses had a student who registered and paid for one or more guests as a single transaction. Because of this, enrollment within these six courses was understated by 20 participants. Guests registered together with regular attendees are typically non-resident visitors who have no interest in receiving catalogs or email contacts so they are not entered into the database. Registering the guests with the local attendees saves the department time and money in marketing promotions. However, as a result, enrollment reports do not reflect actual enrollment figures. A manual count would be necessary to obtain an accurate count for enrollment. Accurate enrollment figures are necessary to assist management in planning for future course offerings.

Additionally, during on-site visits to two of the three locations, couples were not consistently entered into the system. For example, two registrants, husband and wife, were enrolled under one name at one location while at another location, a husband and wife were registered separately. To provide accurate reporting, registration should be consistent from site to site.
Recommendation

It is recommended that Continuing Education Management assess the advantages and disadvantages of registering multiple individuals as one entry. Once a decision is made, the proper registration procedures for registering couples and guests should be communicated to all sites.

Management Response

We will revisit the practice of registering multiple individuals as one entry and look for ways to revise it in a way that enables Continuing Education to maintain accurate attendance records yet doesn’t result in inefficiencies in terms of management of our database.

This recommendation will be addressed right away in terms of necessary reminders to Continuing Education staff. The Continuing Education Revenue Collection Procedures will be revised accordingly as our peak season winds down, and no later than April 30. Responsible individual: John Guerra, Director, Renaissance Academy

3. Observation

Continuing Education has written agreements with four of their five third party course providers. However, the University does not possess proof of an executed agreement with Cengage. It is essential that the University have proof of written agreements specifying the terms of its business relationships.

Recommendation

It is recommended that Continuing Education work with General Counsel, Procurement Services and Cengage to obtain proof of an executed agreement.

Management Response

We will confer with the Office of General Counsel and Procurement Services to obtain proof of an executed agreement with Cengage. We have scheduled time with the Office of the General Counsel to discuss a plan for addressing this issue. We plan to have agreements in place with all of our third party partners by April 30. Responsible individual: Paul Thornton, Executive Director, Office of Continuing Education and Off-Campus Programs.

4. Observation

Of the 25 check transactions reviewed in the sample, 11 checks, or 44%, were not deposited within seven days of receipt. The Office of the Controller’s policies and procedures state that “all
funds collected on behalf of the University should be deposited at the Cashier's Office on a daily basis between the hours of 8:00 a.m. and 5:00 p.m. whenever possible, but no later than one week of the collection of funds. No collections should be held more than one week before delivering to the Cashier's Office.” Because Continuing Education submits deposits directly to the bank as opposed to the Cashier’s Office, we applied the same expectation that deposits be made no later than one week to the bank. When checks are not deposited in a timely manner, there is an increased risk that checks could be lost, misplaced or stolen.

Recommendation

It is recommended that all Continuing Education cash collection locations adhere to the Office of the Controller’s policies and procedures requirement to deposit funds within seven days.

Management Response

Please be assured that all the sampled checks, while not deposited within the required seven-day time frame, were indeed eventually all correctly reflected and recorded as revenue. Immediately upon receipt of your correspondence regarding deposit information following our exit meeting, I shared that information with the Continuing Education check handlers, and we reiterated the requirement to adhere to the Office of the Controller’s policies and procedures regarding depositing funds within seven days. This has resulted in constructive dialogue among the check handlers, and I am confident that we have minimized any deficiencies regarding timeliness of check deposits.

This recommendation has already been addressed and resolved. We will ensure continued adherence to the Office of the Controller’s policies and procedures regarding depositing funds within seven days; we will implement a procedure for monitoring that no check is delayed in being deposited by March 31, and incorporate it into our Revenue Collection Procedures. Responsible individual: Enereida Valentin, Business Manager, Office of Continuing Education and Off-Campus Programs.

Audit Performed by: Jena Valeriotti, Internal Auditor
Audit Reviewed by: Carol Slade, Director of Internal Audit