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Office of Internal Audit & Compliance, BOR — USG, (404) 962-3020

## From the Chief Auditor Officer John M. Fuchko, III

The Office of Internal Audit & Compliance's (OIAC) mission is to support the University System of Georgia management in meeting its governance, risk management and compliance and internal control (GRCC) responsibilities while helping to improve organizational and operational effectiveness and efficiency. The OIAC is a core activity that provides management with timely information, advice and guidance that is objective, accurate, balanced and useful. The OIAC promotes an organizational culture that encourages ethical conduct.

### We have three strategic priorities:

1. Anticipate and help to prevent and to mitigate significant USG GRCC issues.
2. Foster enduring cultural change that results in consistent and quality management of USG operations and GRCC practices.
3. Build and develop the OIAC team.

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## Financial Aid—Calculating R2T4



### Federal Student Aid

The Federal Student Aid (FSA) Handbook is the reference source used by Financial Aid Directors to manage the institution's financial aid program and to report eligibility requirements to the Dept of Education. It provides guidance on financial aid eligibility requirements for students and parent borrowers and the institution's responsibility to ensure that recipients qualify for aid awards under Title IV of the Higher Education Act of 1965.

The FSA

## Calculating R2T4, Cont'd

i. A Learner the 60% point in the period is achieved, a student is considered



- x Return of funds past the 45 day requirement

Impact – Noncompliance with federal regulations could result in the insured's loss of ability to participate in the federal financial aid program.

- x Errors in categorizing tuition and fees appropriately.

Impact – Errors in categorizing tuition and fees may result in reporting incorrect institutional revenue, incorrect return of funds to the insured, and (Absence of 3.7596 0 TD 0 4426019f>Tj /TT12 1 Tf .224 0 TD

Instructional Elements  
Components of Effective Communications  
Jeanne

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## IT—BORMobile Device Policy

It is here! Curş A. Carver Jr., Vice Chancellor/CIO recently announced the





## IRS—Colleges and Universities Survey, Cont'd

(“Colleges and Universities Compliance Project Final Report” 3).

- x Examinations resulted in more than 180 changes to UBTI reported for specific activities by colleges and universities. More than 30 different activities were connected to the changes. The majority of these adjustments came from the following activities (“Colleges and Universities Compliance Project Final Report” 3):
  - x Fitness, recreation centers and sports camps
  - x Advertising
  - x Facility rentals
  - x Arenas, and
  - x Golf

The IRS also looked at employment tax returns at about a third of the colleges and universities examined and found:

- x All of the completed exams have resulted in adjustments in wages leading to assessment of tax and, in some cases, penalties.
- x Wage adjustments total about \$36 million, while taxes and penalties amount to over \$7 million.

As a result, the IRS plans to look at UBTI reporting more broadly, especially at recurring losses and the allocation of expenses and to ensure, through education and examinations, that



Reference Reading

Professional Aids

Auditing : Concepts for a Changing Environment  
by Larry E. Rittenberg and Bradley J. Schwieger, 2004

Auditing: A Risk-Based Approach to Conducting a Quality Audit,  
Karla Johnstone and Audrey Gramling, 2013

Management Aids

The Five Dysfunctions of A Team: A Leadership Fable by Patrick Lencioni, 2002  
360 Degree Leader, John C. Maxwell, 2005

