



Report Highlights

Northwestern State University University of Louisiana System

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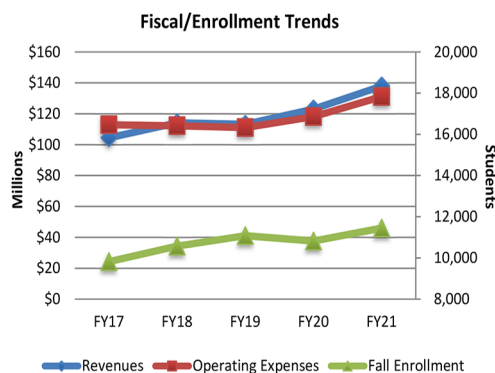
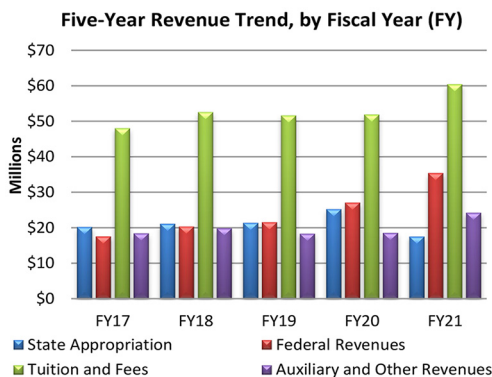
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Why We Conducted This Audit

We performed certain procedures at Northwestern State University (NSU) as a part of the University of Louisiana System (System) audit and the Single Audit of the State of Louisiana for the period July 1, 2020, through June 30, 2021, and to evaluate NSU's accountability over public funds for the period July 1, 2019, through June 30, 2021.

What We Found

- In January 2021, a cyberattack occurred in which the attacker changed direct deposit information for 15 employees in the Banner system. As a result, NSU incorrectly distributed payroll funds into fraudulent bank accounts for 13 of the 15 employees, which resulted in a loss of \$55,729.
- NSU did not have adequate controls in place to calculate the return of Title IV funds correctly for the Federal Pell Grant Program and the Federal Direct Student Loans Program.
- NSU did not have adequate controls in place to ensure that financial aid packages awarded to students remained within the appropriate limits set by federal regulations.
- NSU did not have adequate controls in place to make required returns of Title IV funding to the U.S. Department of Education within the timeframes set by federal regulations.
- NSU did not have a formal risk assessment documented or related safeguards that address the minimum requirements of the Gramm-Leach-Bliley Act standards for safeguarding student information.
- NSU resolved the prior-year finding related to Noncompliance with Timekeeping Rules and Policies.
- In analyzing the financial trends of NSU over the past five fiscal years, revenues and expenses are trending in the same direction. Total revenues have increased 32%, and operating expenses have increased by 16% over the past five fiscal years. Since fiscal year 2019, Federal Nonoperating Revenues have increased 68% due to federal funds received related to COVID-19 relief. This corresponds to the increase in operating expenses, which in fiscal years 2020 and 2021, included expenses related to COVID-19 mitigation efforts. Enrollment has generally increased over the last five fiscal years.



Source: 2021 Annual Fiscal Report/2020-2017 System Audit Reports

View the full report, including management's responses, at www.lla.la.gov.