

UCSF Audit & Advisory Services

Financial Aid - Reporting

Project #25-003

April 2025



University of California
San Francisco



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Audit & Advisory Services

UCSF Box 0818
1855 Folsom Street
San Francisco, CA 94143

tel: 415.476.3851
fax: 415.476.3326

www.ucsf.edu

April 16, 2025

Jerry Lopez

Executive Director, Student Financial Services

SUBJECT: Financial Aid Reporting

As a planned audit for Fiscal Year 2025, Audit & Advisory Services conducted an audit to assess the adequacy and effectiveness of controls and processes over financial aid reporting to ensure the accuracy and completeness of the reported data.

Our services were performed in accordance with the applicable International Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors (the "IIA Standards").

Our review was completed, and the preliminary draft report was provided to department management in March 2025. Opportunities for improvement have been discussed and agreed upon with department management.

This report is intended solely for the information and internal use of UCSF management and the Ethics, Compliance, and Audit Committee, and is not intended to be and should not be used by any other person or entity.

Sincerely,

A handwritten signature in black ink, appearing to read "Irene McGlynn", with a horizontal line extending to the right.

Irene McGlynn
Chief Audit Officer
UCSF Audit and Advisory Services



EXECUTIVE SUMMARY

I. **BACKGROUND**

As a planned audit for Fiscal Year 2025, Audit & Advisory Services conducted an audit to assess the adequacy and effectiveness of controls and processes over financial aid reporting to ensure the accuracy and completeness of the reported data.

There are standard reporting requirements for financial aid from Federal and State legislation. For example, language in Section 66021.1 of the California Education Code requires the University of California to report annually to the State Legislature on their respective institutional financial aid programs. The latest UCOP report on “Institutional Financial Aid Programs” was provided to the Legislature in March 2024.

Reporting related to student financial aid is primarily administered by the Student Financial Services department which is organized under Student Academic Affairs. Student Academic Affairs undergoes a quarterly process of reconciling financial aid data from various sources and reporting this to UCOP. The “College Scholarship Service (CSS) Financial Support Input File” is the tool used by Student Academic Affairs to complete this financial aid reconciliation and reporting process. The information from this quarterly report is consolidated by UCOP for all the campuses and ultimately is used by the University of California to comply with reporting requirements such as the requirement to complete the annual financial aid program report to the State Legislature previously discussed.

There are at least three significant risks in the completion of this report:

- In many cases, Student Financial Services does not have direct control over all the data being reconciled and therefore they may not have any means to verify the accuracy of the source data. For example, while Student Financial Services controls data contained in PowerFAIDS¹, they do not control source data within the general ledger and other sources which are also needed for reconciliation against Student Information System data.
- When Student Financial Services reconciles the data from these various sources, they need to map UCSF fund codes to corresponding codes used by UCOP. For systems under their control (i.e. PowerFAIDS and DPE Federal Work Study), Student Financial Services can ensure UCOP codes are established prior to the reconciliation steps which allows the mapping to occur essentially automatically. However, data which is gathered from outside their control often requires manual mapping to UCOP coding. This mapping is a highly manual process and involves a fair amount of subjectivity in the determination of how to specifically map the codes. Student Financial Services regards this mapping process as among the most time-consuming aspect of the reconciliation process.

¹ “PowerFAIDS” is a system used by Student Financial Services to automate various tasks related to financial such as managing student records, calculating budgets, and generating reports.

- When data is reconciled from multiple sources, it is inherently prone to errors such as duplications or omissions.

The total amount of financial aid tracked by Student Financial Services in their reporting to UCOP was approximately \$170.5 Million for the 2024 academic year, including the summer. This figure represents all financial aid provided to UCSF from a wide variety of funding sources to include federal grants, University & Federal Student Loans, state funds, university scholarships, gifts, etc.

II. AUDIT PURPOSE AND SCOPE

The purpose of this review was to assess the adequacy and effectiveness of controls and processes over financial aid reporting to ensure accuracy and completeness of data being reported.

The scope of the review covered financial aid reporting during FY2023-2024. Specifically, we reviewed the process of consolidating, reconciling, and reporting student financial aid to UCOP. Specifically, we reviewed the “CSS Financial Support Input File” which was used by Student Financial Services to accomplish this process in FY 2023-2024 and the data from the file is also fed into other required reports for federal sources of student aid.

Procedures performed as part of the review included interviews and walkthroughs with relevant personnel to understand existing controls and processes in place for financial aid reporting; validation testing of a sample of reported figures to source data to ensure accuracy; validation testing of a sample of fund mapping; and verification of the reconciliation process. For more detailed steps, please refer to Appendix A.

Work performed was limited to the specific activities and procedures described above. As such, this report is not intended to, nor can it be relied upon to provide an assessment of compliance beyond those areas specifically reviewed. Fieldwork was completed in January 2025.

III. SUMMARY

Based on work performed, we observed the following noteworthy points: Student Financial Services has knowledgeable staff, and the spreadsheet tool they use to compile and reconcile financial aid data, while manually intensive, appears to be effective given the circumstances. The student financial aid data we reviewed appears to be accurate. While the data compilation process is manually intensive, we did not identify issues with the formulas in the spreadsheet used to report data to UCOP, nor did we find any specific instances of data entry issues based on the sample tested. We also reviewed a sample of 110 chartstring mapping entries and did not identify any inaccurate mappings.

During the review, potential opportunities for improvement were noted in the following areas:

1. The completion and reconciliation of Student Financial Aid Data is an excessively manual process which involves extracting several sets of data from multiple systems.
2. The manual process of mapping UCSF non-PowerFAIDS chart field data to UCOP accounts related to financial aid could be improved and automated.
3. The procedure documents for completing and reconciling the reporting of financial aid data to UCOP could be enhanced.

IV. OPPORTUNITIES FOR IMPROVEMENTS

No.	Observation	Risk/Effect	Recommendation
1	<p>The completion and reconciliation of Student Financial Aid Data is an excessively manual process which involves extracting several sets of data from multiple systems.</p> <p>The current structure of the financial systems used by Student Financial Services could allow for greater automation to capture the required data elements that are needed to report the financial aid data.</p> <p>64% of FY 2024 student expense data in the UCOP report is data/systems within Student Financial Aid's control with established quality control rules and processes to ensure data integrity and accurate mapping. The remaining 36% of student expense data does not flow through Student Financial Aid and reside in other systems, which are not integrated.</p> <p>For example, the current completion and reconciliation process involves the following:</p> <ul style="list-style-type: none"> Extracting data from PowerFAIDS and Work Study into the "College Scholarship Service (CSS) input file." This portion of the data reported to UCOP is within Student Financial Aid's control. Extracting data using General Ledger and Peoplesoft queries. Student Financial Services does not control the source data for these queries. 	<p>Manual processes in compiling data from various sources, especially those outside the direct control of Student Financial Services, increase the risk of human errors and may compromise the integrity and accuracy of data.</p> <p>Specifically, the manual process to map the non-PowerFAIDS' chart of account attribute codes is time-consuming and increases the risk of incorrect categorization, as the Student Financial Services office may not be best positioned to map the fund sources.</p>	<p>Student Financial Services in partnership with relevant stakeholders should explore whether opportunities for automation, especially within the mapping process, for non-Student Financial Services data exist. If automation is possible, then a plan should be prepared including the costs for automation and presented to appropriate stakeholders for review and approval.</p> <p>UCSF's "Project One" involves the rollout of a new Enterprise resource planning (ERP) system and Phase 3 of this project specifically involves the Student Information System. Student Financial Services should leverage Project One into its planning efforts for automation of the reconciliation and reporting processes.</p>

No.	Observation	Risk/Effect	Recommendation
	<ul style="list-style-type: none"> Manually adjusting figures from other sources such as the Registrar and Student Health for nuanced adjustments for things such as employee tuition exemption/discounts and graduate assistance expense changes. <p>While there is no direct statutory requirement to automate reporting processes, there is an expectation that the reports be accurate which an automated process would better enable compared to a highly manual one.</p>		
2	<p>The manual process of mapping UCSF chart of accounts to UCOP accounts related to financial aid could be improved and automated.</p> <p>Manually mapping existing non-PowerFAIDS' chart of accounts data consists of two (2) current processes for 36% of the data outside of Student Financial Services' control:</p> <ul style="list-style-type: none"> For sponsored projects, Student Financial Services manually categorizes the project sponsor name associated with the UCOP code or according to the project prime sponsor name for subcontracts. For non-sponsored projects, Student Financial Services manually categorizes based on fund only or fund/project chart string combinations to an appropriate UCOP code. 	<p>Manual mapping & categorization can lead to errors. Additionally, manual processes may lack systematic error detection mechanisms, making it harder to identify and correct mistakes promptly.</p>	<p>Prior to a new Student Information System with integrated systems, Student Financial Services should leverage work done by personnel in UCSF's Education IT unit to automate mapping non-PowerFAIDS data to UCOP codes.</p>
3	<p>The procedure documents for completing and reconciling the reporting of financial aid data to UCOP could be enhanced.</p>	<p>Procedural documents that do not contain sufficient details could result in variations in how the</p>	<p>Current procedure could be enhanced to include more details.</p>

<u>No.</u>	<u>Observation</u>	<u>Risk/Effect</u>	<u>Recommendation</u>
	<p>While the reconciliation steps are outlined in the documented procedures, we found that some additional information would be useful to be added to these procedures.</p> <p>For example:</p> <ul style="list-style-type: none">• The procedures do not detail specific roles within the process.• The procedures do not specify how the work is approved.	<p>reconciliation is completed each year. Additionally, in the event of staff turnover or situations when the role needs to be backfilled, it would be beneficial to have more detailed procedures for the benefit of the individual assuming this task.</p>	

APPENDIX A

- Obtained procedure documents that explain completing reporting requirements and determine if these are sufficient to provide continuity in the event key individuals suddenly leave employment.
- Determined if the reconciliation steps outlined in the documented procedures cover all the potential areas of duplications or omissions of financial aid data.
- Obtained quarterly submissions to UCOP during FY24 and verified these submissions were within established expected timeframes.
- Determined if UCOP provided any feedback for FY24 reports provided. If so, determine what that feedback was.
- Traced reported final figures to source data to ensure the reported totals are accurate.
- Determined if the automated tools cover all the potential areas of duplications or omissions of financial aid data.
- Reviewed a sample of "ChartString Mapping" entries (which map UCSF account codes to UCOP standard codes) to determine if the mapping is reasonable.
- For the sample of mapped entries, determined if the system used is properly applying these mappings to the calculated totals.