

**UNIVERSITY OF CALIFORNIA, DAVIS  
AUDIT AND MANAGEMENT ADVISORY SERVICES**

**Accounting & Financial Services  
Student Accounting  
Project #18-05**

**October 2017**

**Fieldwork Performed by:**

Sherrill Jenkins, Principal Auditor

**Reviewed by:**

Tony Firpo, Interim Associate Director

**Approved by:**

Leslyn Kraus, Director

**Accounting & Financial Services  
Student Accounting  
Audit & Management Advisory Services Project #18-05**

**Background**

As part of the fiscal year (FY) 2018 Audit Plan, Audit & Management Advisory Services reviewed practices and processes associated with the accounting of student tuition and fees, with a focus on billing, collection, refund and write-off of bad debts within these processes.

Student tuition and fees represent a significant portion of the University's current fund sources. Total tuition and fee revenue identified in the FY 2017 UC Davis Annual Financial Schedules was \$571 million, representing 12.3% of the total \$4.6 billion in current revenue, generated from approximately 37,400 students per Fall headcounts for the 2016-17 academic year<sup>1</sup>.

**Purpose and Scope**

The purpose of our review was to assess the control environment surrounding the collection, billing, refund and write-off processes, so that reasonable assurances could be provided that: (i) student tuition and fees are properly billed; (ii) revenue is received and accurately recorded; and (iii) accounting for refunds and write-offs is appropriate.

To understand the control environment, we met with campus units that play pivotal roles in the control activities and processes, including Budget & Institutional Analysis, Enterprise Student Applications, Office of the University Registrar, Cashier & Payment Solution's Office, and Student Accounting. To test the control environment, we focused on the student and financial activity as recorded within the student information system Banner, and the accounting of this activity within the Quali Financial System.

The primary scope was the undergraduate Fall 2016 student population. Tuition and fees reviewed included the Office of the President approved tuition and fees charged to all resident and non-residents students<sup>2</sup>.

**Conclusion**

We found the control environment supporting the student accounting processes to be operating effectively. Campus units involved in the billing and collection processes partner well together. We found the units to be staffed by experienced, competent and dedicated personnel who worked together to ensure successful outcomes. We noted that segregation of duties and oversight levels were satisfactory throughout the revenue/receivable cycle.

Based on our testing work, we found that the student information and activity recorded in Banner was appropriately accounted for in the general ledger. No unresolved issues remained that would need corrective actions or further follow up activity.

---

<sup>1</sup> Fall Headcounts as identified on the Budget & Institutional Analysis Student Summary Report:

<http://www.budget.ucdavis.edu/data-reports/high-level-dashboard.html>

<sup>2</sup> <http://www.budget.ucdavis.edu/studentfees/historical/2016-2017/index.html>