

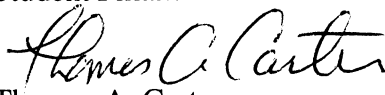


UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF INSPECTOR GENERAL

MEMORANDUM

TO: Greg Woods
Chief Operating Officer
Student Financial Assistance

FROM: 
Thomas A. Carter
Assistant Inspector General for Audit

SEP 07 2001

SUBJECT: **FINAL AUDIT REPORT**
Rush University's Administration of Title IV, SFA Programs
Control Number ED-OIG/A05-B0025

Attached is our subject report presenting the results of our audit of Rush University's administration of the Title IV, SFA programs for the year ended June 30, 2000. The University generally complied with the applicable law and regulations. However, we found five immaterial instances of noncompliance as discussed in the report. You are not required to take any action in response to this report.

If you have any questions or wish to discuss the contents of this report, please contact Richard Dowd at 312 886-6503.

Please refer to the above audit control number in all correspondence relating to this report.

Attachment




UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF INSPECTOR GENERAL

MEMORANDUM

TO: Eugene W. Hickok
Under Secretary
Office of the Under Secretary

SEP 07 2001

FROM: 
Thomas A. Carter
Assistant Inspector General for Audit

SUBJECT: **FINAL AUDIT REPORT**
Rush University's Administration of Title IV, SFA Programs
Control Number ED-OIG/A05-B0025

Attached is a copy of our final audit report referenced above. We are furnishing this report to you because it may contain information of interest to you.

If you have any questions, please call Richard J. Dowd, Regional Inspector General for Audit at 312-886-6503.

Attachment




UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF INSPECTOR GENERAL

MEMORANDUM

TO: Terry Abbott
Chief of Staff
Office of the Secretary

SEP 07 2001

FROM: 
Thomas A. Carter
Assistant Inspector General for Audit

SUBJECT: **FINAL AUDIT REPORT**
Rush University's Administration of Title IV, SFA Programs
Control Number: ED-OIG/A05-B0025

Attached is a copy of the final audit report referenced above. We are furnishing this report to you because it may contain information of interest to you.

If you have any questions, please call Richard J. Dowd, Regional Inspector General for Audit, at 312-886-6503.

Attachment



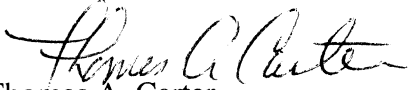
UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF INSPECTOR GENERAL

MEMORANDUM

SEP 07 2001

TO: William D. Hansen
Deputy Secretary
Office of the Deputy Secretary

FROM: 
Thomas A. Carter
Assistant Inspector General for Audit

SUBJECT: **FINAL AUDIT REPORT**
Rush University's Administration of Title IV, SFA Programs
Control Number ED-OIG/A05-B0025

Attached is a copy of the final audit report referenced above. We are furnishing this report to you because it may contain information of interest to you.

If you have any questions, please call Richard J. Dowd, Regional Inspector General for Audit at 312-886-8659.

Attachment



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

Control Number ED-OIG/A05-B0025

Leo M. Henikoff, M.D., President
Rush University
600 South Paulina Street
Chicago, IL 60612

SEP 07 2001

Dear Dr. Henikoff:

This *Final Audit Report* presents the results of our audit of Rush University's (University) compliance with Title IV of the Higher Education Act of 1965 (HEA), as amended, and selected regulations governing Federal Student Financial Assistance (SFA) programs during the period July 1, 1999, through June 30, 2000.

During the audit period, the University generally administered the SFA programs in accordance with the HEA and selected regulations. However, we found five immaterial instances of noncompliance that do not require administrative action by the Chief Operating Officer for Student Financial Assistance as discussed below. The University should follow existing procedures to ensure it: (1) obtains secondary confirmations when required; (2) does not award Federal Family Education Loans (FFELs) that exceed limits; and (3) does not certify subsidized Federal Stafford Loans in excess of estimated need.

AUDIT RESULTS

During our review of records for 169 randomly selected students, we found:

- For one student, the University did not obtain from the Immigration and Naturalization Service a secondary confirmation to determine if the student was eligible for SFA. After we brought this matter to the University's attention, it performed a secondary confirmation that confirmed the student's eligibility. (34 C.F.R. § 668.33(a)(2))
- For three students, the University certified FFELs that exceeded limits. As a result, the Department of Education incurred immaterial interest costs on the excess subsidized Federal Stafford Loan amounts. (34 C.F.R. § 682.204)
- For one student, the University certified a subsidized Federal Stafford Loan that exceeded the student's need by \$3,245. As a result, the Department of Education incurred immaterial interest costs. (34 C.F.R. § 682.301(a))

BACKGROUND

The University was founded in 1972 and is the academic component of Rush-Presbyterian-St. Luke's Medical Center. The North Central Association of Colleges and Schools accredited the University and the Illinois Board of Higher Education authorized it to operate in the State. The University consists of four colleges: Medical, Nursing, Health Sciences, and Graduate. It has over 1,400 students enrolled. During the period July 1, 1999, through June 30, 2000, the University participated in the Federal Perkins Loan (\$240,536), Federal Work-Study (\$206,940), Federal Supplemental Educational Opportunity Grant (\$75,321), FFEL (\$13,437,966), and Federal Pell Grant programs (\$85,162).

The HEA, as amended, authorizes these programs, and they are governed by regulations contained in 34 C.F.R. Parts 674, 675, 676, 682, and 690, respectively. In addition, these programs are subject to the provisions contained in the Student Assistance General Provisions regulations (34 C.F.R. Part 668), and the University must comply with the Institutional Eligibility regulations (34 C.F.R. Part 600) to participate in these programs. Regulatory citations in the report are to the codification revised as of July 1, 1999.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of our audit was to determine whether the University administered the SFA programs in accordance with the HEA and selected program regulations during the period July 1, 1999, through June 30, 2000. Specifically, we evaluated institutional and student eligibility and selected administrative and compliance requirements. To meet our objective, we reviewed State and accrediting agency documents, the University's catalog, Department of Education data, University records for 169 SFA recipients selected from a population of 746, and interviewed University officials. During the audit, we extensively relied on computer-processed SFA data maintained by the University. We conducted tests to conclude the data were sufficiently reliable to be used in meeting the audit's objective by comparing the information maintained by the University to the Department of Education's data.

We conducted our fieldwork at the University's financial aid office located in Chicago, Illinois, from May 8, 2001 through June 5, 2001. We performed our audit in accordance with government auditing standards appropriate to the scope of the audit described above.

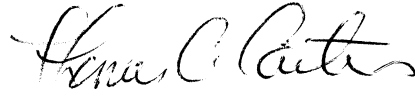
As part of our audit, we did not assess the adequacy of the University's management control structure applicable to SFA programs. Instead, we relied on substantive testing of financial aid, academic, and accounting records related to 169 SFA recipients selected from a population of 746. Our testing found five immaterial instances of noncompliance as described in the Audit Results, but disclosed no instances of noncompliance that lead us to believe a material weakness existed in the University's controls over the SFA programs.

ADMINISTRATIVE MATTERS

In accordance with the Freedom of Information Act (5 U.S.C. §552), reports issued by the Office of Inspector General are available, if requested, to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

We appreciate the cooperation and assistance extended by your staff during the audit. You are not required to respond to this report. However, if you desire to discuss it, please call Richard J. Dowd, Regional Inspector General for Audit, in Chicago, at 312-886-8647.

Sincerely,

A handwritten signature in cursive script, appearing to read "Thomas A. Carter".

Thomas A. Carter
Assistant Inspector General for Audit

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