

**RHODE ISLAND COLLEGE
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)**

**SUPPLEMENTAL INFORMATION AND
SINGLE AUDIT COMPLIANCE REPORTS**

YEAR ENDED JUNE 30, 2023



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(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education
Rhode Island College
Providence, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of the Rhode Island College (the College), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated October 2, 2023. The financial statements of the discretely presented component unit, Rhode Island College Foundation, were not audited in accordance with Government Auditing Standards and accordingly, this report does not include reporting on internal controls over financial reporting or instances of reportable noncompliance associated with Rhode Island College Foundation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Rhode Island College’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the College’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The College’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Cranston, Rhode Island
October 2, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,
AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education and Office of the Auditor General
Rhode Island College
Providence, Rhode Island

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rhode Island College's (the College) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the College's major federal programs for the year ended June 30, 2023. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Major Program and Low-Risk Auditee Determinations

As a component unit of the state of Rhode Island (the State), the College's major federal programs, the dollar threshold used to determine type A and type B programs, and the determination if the College qualifies as a low-risk auditee is established at the state level by the Office of the Auditor General.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-003, to be significant deficiencies.

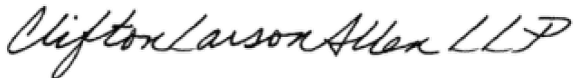
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the discretely presented component unit of the College as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College’s basic financial statements. We have issued our report thereon, dated October 2, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Cranston, Rhode Island
January 8, 2024

**RHODE ISLAND COLLEGE
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

Federal Grantor Program Title	Federal Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Award Number	Federal Expenditures	Pass-Through to Subrecipients
Student Financial Assistance Cluster:					
U.S. Department of Education					
Direct Awards:					
Federal Supplemental Educational Opportunity Grants	84.007	N/A	N/A	\$ 700,000	\$ -
Federal Work-Study Program	84.033	N/A	N/A	491,419	-
Federal Perkins Loan Program (beginning of year)	84.038	N/A	N/A	1,733,391	-
Federal Pell Grant Program	84.063	N/A	N/A	9,586,234	-
Federal Direct Student Loans	84.268	N/A	N/A	<u>21,790,432</u>	<u>-</u>
Total Student Financial Assistance Cluster				<u>34,301,476</u>	<u>-</u>
TRIO Cluster					
U.S. Department of Education					
Direct Awards:					
International Overseas - Group Projects Abroad	84.021	N/A	N/A	54,339	-
TRIO Student Support Services	84.042	N/A	N/A	497,285	-
TRIO Upward Bound	84.047	N/A	N/A	783,384	-
TRIO McNair Post-Baccalaureate Achievement	84.217	N/A	N/A	<u>269,010</u>	<u>-</u>
Total TRIO Cluster				<u>1,604,019</u>	<u>-</u>
Fund for Improvement of Postsecondary Education	84.116	N/A	N/A	<u>29,353</u>	<u>-</u>
Pass-Through Awards:					
Special Education-Grants for Infants and Families	84.181	Rhode Island Department of Human Services	H181A140101	<u>341,267</u>	<u>-</u>
RESEARCH AND DEVELOPMENT CLUSTER					
National Science Foundation					
Pass-Through Awards:					
Office of Integrative Activities	47.083	University of Rhode Island	OIA-1655221	<u>60,900</u>	<u>-</u>
Total Research and Development Cluster				<u>60,900</u>	<u>-</u>
477 CLUSTER					
U.S. Department of Health and Human Services:					
Pass-Through Awards:					
Child Care and Development Block Grant	93.575	Rhode Island Department of Human Services	1801RICCDF / G2101RICCD	<u>27,739</u>	<u>-</u>
Total 477 Cluster				<u>27,739</u>	<u>-</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**RHODE ISLAND COLLEGE
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Federal Grantor Program Title	Federal Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Award Number	Federal Expenditures	Pass-Through to Subrecipients
NON-CLUSTER					
U.S. Department of Defense:					
Direct Awards:					
Rhode Island College GenCyber Grant	12.903	N/A	N/A	\$ 98,274	\$ -
National Endowment for the Humanities					
Pass-Through Awards:					
Promotion of the Humanities - Fed/State Partnership	45.129	Rhode Island Council for the Humanities	SO-283104-22	850	-
U.S. Department of Energy:					
Direct Awards:					
Investigating Ultrafast Dynamics in Solid State Photocatalytic & Photovoltaic Materials Using Time Resolved Mossbauer Spectroscopy	81.049	N/A	N/A	93,010	72,996
U.S. Department of Education					
Direct Awards:					
Education Stabilization Fund:					
COVID-19 - Higher Education Emergency Relief Fund - Student Aid Portion	84.425E	N/A	N/A	183,931	-
COVID-19 - Higher Education Emergency Relief Fund - Institutional Portion	84.425F	N/A	N/A	593,828	-
COVID-19 - Higher Education Emergency Relief Fund - Supplemental Support under American Rescue Plan Portion	84.425T	N/A	N/A	377,305	-
Total Education Stabilization Fund				1,155,064	-
Interdisciplinary Specialization in Transition	84.325	N/A	N/A	229,794	-
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	N/A	N/A	61,887	-
Subtotal - Direct Awards				1,446,745	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**RHODE ISLAND COLLEGE
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Federal Grantor Program Title	Federal Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Award Number	Federal Expenditures	Pass-Through to Subrecipients
NON-CLUSTER (Continued)					
U.S. Department of Health and Human Services					
Direct Awards:					
Behavioral Regulation to Extinguish Smoking While Treating Another Health Risk	93.279	N/A	N/A	\$ 3,794	\$ -
Public Health Training Centers Program	93.516	N/A	N/A	55,899	-
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632	N/A	N/A	619,022	-
Behavioral Health Workforce Education & Training (BHWET) Program	93.732	N/A	N/A	799,414	-
Biomedical Research and Research Training	93.859	N/A	N/A	119,919	-
Subtotal - Direct Awards				<u>1,598,049</u>	<u>-</u>
Pass-Through Awards:					
Respite Across Lifespan	93.072	Rhode Island Office of Healthy Aging	90LRLI0017-01-11 / 90LRLI002602	15,280	-
Maternal and Child Health Federal Consolidated Programs	93.110	Rhode Island Hospital	5T73MC30121-02-00	146,043	-
Mental Health Research Grants	93.242	University of Pittsburgh	7R34MH123589	73,260	-
The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels	93.334	Rhode Island Department of Health	NU58DP006913	21,645	-
Community Health Worker Association of Rhode Island	93.366, 93.426, 93.435,		5NU58DP006478/CDC-RFA-DP18-18-15PPHF18		
Community Health Worker Training/Advising Department of Health	93.495, 93.994, 93.334	Rhode Island Department of Health	CDC-RFA-DP18-1817-PPHF18/B04MC32569 CDC-RFA-DP21-2109 / CDC-RFA-DP20-2004	409,392	28,584
National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	The Ohio State University	90RTHF0002-03-00	15,035	-
R.I. Office of Healthy Aging Memory Workforce Recovery Friendly Workplace Initiative	93.470	R.I. Department of Human Services/Office of Healthy Aging Rhode Island Department of Behavioral Healthcare, Developmental Disabilities and Hospitals	90ADPI0005-01-00 H79TI083281	20,800	-
Biomedical Research and Research Training	93.788 93.859	University of Rhode Island	5P20GM103430	226,088 <u>385,068</u>	<u>-</u>
Subtotal - Pass-Through Awards				<u>1,312,611</u>	<u>28,584</u>
Social Security Administration:					
Direct Awards:					
Social Security - Work Incentives Planning and Assistance Program	96.008	N/A	N/A	337,142	-
Total Non-Cluster				<u>4,885,831</u>	<u>101,580</u>
Total Federal Expenditures				<u>\$ 41,251,435</u>	<u>\$ 101,580</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

RHODE ISLAND COLLEGE
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Rhode Island College (the College) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the College.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 DETERMINATION OF MAJOR PROGRAMS

The determination of major federal financial assistance programs was based on the overall level of expenditures for all federal programs for the state of Rhode Island (the State), of which Rhode Island College is a component unit. As such, the determination of major programs is made at the State level, where it was determined the Student Financial Assistance Cluster and the Higher Education Emergency Relief (HEERF) were major programs during the State fiscal year ended June 30, 2023.

NOTE 4 INDIRECT COST RATE

Expenditures under the research and development cluster include facilities and administrative (F&A) cost recoveries, relating primarily to facilities operation and maintenance; facilities and equipment depreciation; and general, division, and departmental administration services, which are charged to the applicable federal grants under negotiated rates agreed to with the Department of Health and Human Services, the College's federal cognizant agency. The College has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**RHODE ISLAND COLLEGE
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

NOTE 5 FEDERAL STUDENT LOAN PROGRAMS

Perkins Loan Program

The Federal Perkins Loan Program (Perkins) is administered by the College and balances and transactions relating to this program are included in the College's basic financial statements. During the year ended June 30, 2023, no loans were advanced under the Perkins program and no administrative costs were incurred. As of June 30, 2023, loan balances receivable under Perkins was \$590,599.

There was no federal capital contribution or match by the College during the current year.

Direct Student Loan Program

The College disbursed approximately \$21,790,000 of loans under the Federal Direct Student Loans program, which include Stafford Subsidized and Unsubsidized Loans and Parent Plus Loans. The College is only responsible for the performance of certain administrative duties and, accordingly, there are no significant continuing compliance requirements and these loans are not included in the College's financial statements.

**RHODE ISLAND COLLEGE
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? X yes _____ no
3. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? X yes _____ no
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes _____ no

Identification of Major Federal Programs

Federal Assistance Listing Number	Name of Federal Program or Cluster
84.425E/F/T	COVID – 19, Education Stabilization Fund - Higher Education Emergency Relief Fund
84.007, 84.033, 84.038, 84.063,84.268	Student Financial Assistance Cluster

**RHODE ISLAND COLLEGE
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditors’ Results (Continued)

Dollar threshold used to distinguish between
Type A and Type B programs:

\$ 20,800,000

Auditee qualified as low-risk auditee?

No – Determined at the State Auditor level by
the Office of the Auditor General

Section II – Financial Statement Findings

2023 – 001: Financial Reporting

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Criteria or specific requirement: The College is responsible for financial reporting in the form of financial statements that present fairly, in all material respects, the respective financial position, changes in financial position and, statement of cash flows.

Condition: The College made an error in recording the lease receivables and deferred inflows of resources in FY22. The College believed that the amendment to this lease was in place during FY22. The original lease from 2009 preceded most members of management and the College became aware of the modification of lease terms after the issuance of the FY22 audit report and should not have recorded this lease.

Effect: The delays of implementing the new accounting standard led to delays in the financial reporting process.

Cause: The College did not have a formal process in place to review executed contracts to determine if the contracts were expired or amended.

Repeat finding: No.

Recommendation: The College should implement a formal policy regarding expiring contracts and amended contracts to mitigate issues similar to this in the future.

Views of responsible officials and planned corrective actions: Management agrees with the finding and recommendation.

**RHODE ISLAND COLLEGE
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section III – Findings and Questioned Costs – Major Federal Programs

2023 – 002: Special Tests and Provisions: Gramm-Leach-Bliley Act

Federal Agency: U.S. Department of Education

Federal Program Name: Student Financial Assistance Cluster

Assistance Listing Number: 84.007 (Federal Supplemental Educational Opportunity Grants Program), 84.033 (Federal Work Study Program), 84.038 (Federal Perkins Loan Program), 84.063 (Federal Pell Grant Program), 84.268 (Federal Direct Student Loans Program)

Federal Award Identification Number and Year: N/A; 2022-2023

Award Period: July 1, 2022 – June 30, 2023

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: The Gramm-Leach-Bliley Act (Public Law 106-102) requires financial institutions to explain their information-sharing practices to their customers and to safeguard sensitive data. (16 CFR 314) The Federal Trade Commission considers Title IV-eligible institutions that participate in Title IV Educational Assistance Programs as “financial institutions” and subject to the Gramm-Leach-Bliley Act (16 CFR 313.3(k)(2)(vi)).

Condition: Under an institution’s Program Participation Agreement with the Department of Education and the Gramm-Leach-Bliley Act, schools must protect student financial aid information, with particular attention to information provided to institutions by the Department or otherwise obtained in support of the administration of the federal student financial aid programs.

Questioned costs: None

Context: During our testing of the College’s information technology, we noted the following items in the College’s written security program did not meet the following compliance requirements:

- Ensure that the written information security program describes the use of a data inventory that includes how the institution identifies and manages data, personnel, devices, systems and facilities.
- Ensure that the written information security program identifies the use of multi-factor authentication for individuals accessing sensitive information across systems.
- Ensure that the written information security program includes an adopted change management policy with procedures documented accordingly.
- Ensure that the written information security program is evaluated and adjusted based on monitoring results, risk assessments and penetration tests.
- Ensure the written information security program has been updated within the audit period.

**RHODE ISLAND COLLEGE
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Cause: The College has continued to make progress in updating the College’s written security program to become compliant with all requirements; however, due to capacity and demands on the information technology individuals, this is still a work in process.

Effect: The student personal information could be vulnerable.

Repeat Finding: No

Recommendation: We recommend that the College designate an individual to oversee the information security function and work to update the College’s written security program to ensure compliance with all the standards.

Views of responsible officials: There is no disagreement with the audit finding.

2023 – 003: Reconciliations of the Direct Loan Program

Federal Agency: Department of Education

Federal Program: Title: Student Financial Assistance Cluster

Assistance Listing Numbers: 84.268 – Federal Direct Student Loans

Federal Award Identification Number and Year: P268K232175; 2022-2023

Award Period: July 1, 2022 – June 30, 2023

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Compliance, Other Matter

Criteria or Specific Requirement: The Code of Federal Regulations, 34 CFR 685.300(b)(5) requires the College on a monthly basis, to reconcile the institutional records with the Direct Loan funds received from the Secretary and the Direct Loan disbursement records submitted to and accepted by the Secretary.

Condition: Direct loan reconciliations between the COD, G5 and student accounts were not being performed in a timely manner for the year.

Questioned Costs: None

**RHODE ISLAND COLLEGE
(A COMPONENT UNIT OF THE STATE OF RHODE ISLAND)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Context: Direct loan reconciliations were not all created timely during the year due to staffing issues that occurred during the year, therefore were not created on time.

Cause: The College's management had turnover in key positions during the year that increased the issues related to this issue of timely reconciliations.

Effect: College is not complying with internal policy and federal requirements to ensure funds are properly reconciled in a timely manner.

Repeat Finding: No

Recommendation: The College should ensure all necessary employees receive proper training, support, and time to follow the College's policies and federal requirements related to monthly reconciliations.

Views of responsible officials: There is no disagreement with the audit finding.



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**RHODE ISLAND COLLEGE
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2023**

United States Department of Education

Rhode Island College respectfully submits the following corrective action plan for the year ended June 30, 2023.

Audit period: July 01, 2022 - June 30, 2023

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

2023-001 Recommendation: The College should implement a formal policy regarding expiring contracts and amended contracts to mitigate issues similar to this in the future.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The College has formalized procedures to ensure that expiring and amended contracts are reviewed for accuracy.

Name(s) of the contact person(s) responsible for corrective action: Nelia Kruger, Controller

Planned completion date for corrective action plan: January 2024

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Education

2023-002 Student Financial Assistance Cluster – Assistance Listing Number: 84.007, 84.003, 84.038, 84.063, 84.268

Recommendation: We recommend that the College designate an individual to oversee the information security function and work to update the College's written security program to ensure compliance with all the standards.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The College has designated the Director of Information Security to oversee the information security function. The College has contracted with a firm to function as a virtual Certified Information Security Officer (vCISO) to support



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compliance as well as provide training and consulting services. The Assistant Vice President, Chief Information Officer is tasked with ensuring that the Written Information Security Program is updated annually and that compliance is maintained.

Name(s) of the contact person(s) responsible for corrective action: Pamela Christman, Assistant Vice President, Chief Information Officer

Planned completion date for corrective action plan: June 2024

2023-003

Student Financial Assistance Cluster – Assistance Listing Number: 84.268 – Federal Direct Student Loans

Recommendation: The College should ensure all necessary employees receive proper training, support, and time to follow the College's policies and federal requirements related to monthly reconciliations.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The financial aid office has identified the position within the department that is responsible for completing monthly reconciliation for the Direct Lending program. This position has been given the policy and procedures related to reconciliation and has immediately begun following these procedures. This position will also seek out additional resources and trainings to ensure compliance moving forward. The director will support the process by allowing the time for these processes to be done on a monthly basis as well as provide support for future trainings.

Name(s) of the contact person(s) responsible for corrective action: Jennifer Burke, Interim Director of Financial Aid

Planned completion date for corrective action plan: January 2024

If the United State Department of Education has questions regarding this plan, please contact Nelia Kruger, Controller, at nkruger@ric.edu or 401-456-8200.



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**RHODE ISLAND COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023**

Rhode Island College respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2023.

Audit period: July 01, 2022 - June 30, 2023

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDING—FINANCIAL STATEMENT AUDIT

U.S. Department of Education

2022-001 Schedule of Expenditures of Federal Awards

Condition: During our testing of the Schedule of Expenditures of Federal Awards (SEFA), the Student Financial Assistance Cluster (SFA) expenditures were being reported based on the G5 reimbursement amounts instead of the disbursed expenditures during the fiscal year. Uniform guidance requires the auditee to prepare a SEFA which must include the total federal awards expended as determined in accordance with sub-section 200.502. 2 CFR 200.510.

Status: Corrected. Controls have been implemented to monitor and ensure compliance.

FINDING—FEDERAL AWARD PROGRAMS AUDIT

2022-002 Higher Education Emergency Relief Fund (HEERF) Reporting

Condition: During our testing, we noted the College did not post 2 of the 4 quarterly postings within the 10-day timeframe. For 1 of the 2 reports tested, we were not provided documentation for items 3 and 5 of the student public quarterly report. During our testing of the annual report for the calendar year 2021, the College could not provide support for line items 8(a) HEERF: (a)(1) Student Aid Portion Amount Disbursed: Amount of Emergency Financial Aid Grants applied to satisfy student's outstanding account balance upon receiving affirmative written consent from students to do so; and 8(a) HEERF: (a)(1) Institutional Portion Amount Disbursed: Amount of Emergency Financial Aid Grants applied to satisfy student's outstanding account balance.

Status: Corrected. Controls have been implemented to monitor and ensure compliance.

If the U.S. Department of Education has questions regarding this plan, please contact Nelia Kruger, Controller at 401-456-8200.