

Testimony before the North Dakota Legislative Audit and Fiscal Review Committee

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University of North Dakota

Mr. Chairman, Members of the Committee:

Good Morning.

I am Robert Kelley, President of the University of North Dakota.

I want to thank the committee for the opportunity to provide comments regarding the performance audit report on fees charged at the University of North Dakota. The audit was to answer the question "are fees appropriately established and used by North Dakota State University and the University of North Dakota"

The recommendations of the audit are helpful to UND in the administration or program, course and other fees paid by students during their enrollment at the university.

I appreciate the thoroughness and the diligence of the State Auditor's Office in conducting the performance audit. In addition, I invite their feedback as corrective measures are initiated in response to several of their recommendations.

UND will continue to act as good stewards of the public trust. UND is working, and will continue to work, with the State Auditor's Office to resolve outstanding issues and concerns outlined in the report.

To accomplish these ends, UND will continue to review, clarify and improve campus policies and practices relative to the use of fees.

Specifically, UND is taking these steps to address the following auditor's recommendations:

- UND will strengthen our process for documenting travel expenses. For example, the travel voucher form used will be redesigned to clarify information required for reimbursement.
- UND will establish written guidelines requiring departments to file reports annually with the Budget Office on program and course fee cash balances.
- UND will conduct a comprehensive review of all course and program fees over the next year to identify areas where improvements can be made to ensure appropriate tracking of fee money.
- UND will continue to upgrade training of administrative staff in all university departments and units on issues related to management of student fees.

Finally, the units included in the audit recommendations have been notified of the recommendations contained in the performance audit. The university's Division of Finance and Operations is working with them to review and clarify policies.

In addition, UND continues to follow the policies established by the North Dakota State Board of Higher Education. In so doing, UND will continue to use good judgment in ensuring that value is received for expenditures within the university, and, as a result, UND will continue to be good stewards of the public

trust. Furthermore, the university administration will continue to promote an organizational culture of accountability and stewardship of public resources.

In conclusion, UND has responded to the recommendations in the fee audit, and I wish to emphasize that it is not our intent to debate the specific points in the report. In several instances noted in the audit, it appears UND's interpretation of policy has differed from the State Auditor's interpretation. UND will continue to work with the Office of the State Auditor, the State Board of Higher Education and the Chancellor of the University System to resolve all issues and recommendations brought forward in the report.

We invite and respect this performance audit feedback, and UND will use it as a guide to continuously improve the university's financial operations to better serve students and the State of North Dakota.

Mr. Chairman, thank you for the opportunity of addressing these issues. May I answer any questions?