



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

AUDIT SERVICES

January 26, 2023

Subject: CPA-23-01 – Modified Enrollment Reporting Testing Due to National Student Loan Data System Issues

Dear Certified Public Accountant:

This letter summarizes the issues that arose following the July 2022 implementation of the modernized National Student Loan Data System (NSLDS) Professional Access and revises the following two audit guides to communicate our expectations of auditors evaluating proprietary school and foreign school compliance with enrollment reporting requirements considering those issues:

- [*Guide for Audits of Proprietary Schools and For Compliance Attestation Engagements of Third-Party Servicers Administering Title IV Programs*](#) (September 2016)
- [*Guide for Financial Statement Audits and Compliance Attestation Engagements of Foreign Schools*](#) (March 2020)

Issues with the Modernization of NSLDS

As Federal Student Aid (FSA) prepared for the retirement of the prior NSLDS website and the launch of the enhanced website, FSA temporarily paused data reporting to NSLDS. Batch reporting was accepted until July 19, 2022, and online updates and submittal spreadsheets were accepted until July 20, 2022. Due to issues encountered following the conversion, data reporting and data processing did not resume as scheduled, which impacted schools' ability to comply with enrollment reporting requirements through the date of this letter. During this time, there was a period where schools were encouraged not to provide updates or had their submissions canceled and periods where regular enrollment reporting rosters and the enrollment history update functionality were suspended. There was also a period where processing of received updates was paused.

FSA issued Electronic Announcements between June 2022 and January 2023, detailing enrollment functionality and identified issues. The Electronic Announcements stated that schools should retain copies of the announcements as documentation for audit purposes. (See Electronic Announcements from [January 13, 2023](#); [November 14, 2022](#) (updated January 6, 2023); and [October 7, 2022](#). The October 7, 2022 Electronic Announcement has links to all previous Electronic Announcements under the NSLDS Professional Access Resources, Published Information heading.)

Schools have not been able to fully comply with enrollment reporting requirements for the period July 19, 2022, through at least the date of this Dear CPA Letter. Therefore, for

institutions with fiscal years ending through February 28, 2023, auditors would not be expected to include any enrollment reporting data due from July 19, 2022, through February 28, 2023, in their evaluation of the school's compliance with the enrollment reporting requirements. Schools were expected to comply with the enrollment reporting requirements for all other periods within their fiscal year.

Revised Objectives and Procedures

For impacted compliance audits or examinations performed in accordance with the above-mentioned audit guides, the following revised Audit/Attestation Objective and Required Procedures may be used for Section C.2.1, Enrollment Reporting Roster File. We will update this letter as needed if the NSLDS issues remain past January 31, 2023.

Audit Attestation Objective:

Determine if schools are timely and accurately notifying the U.S. Department of Education of changes in student status for periods during which the school was required and able to comply with enrollment reporting requirements.

Required Procedures:

- C.2.1.a. Have the school access the NSLDS website and either create the Enrollment Submittal File Tracking Report (SCHET1) or view the Enrollment Submittal Tracking Page. For regularly scheduled roster files during the audit/examination period with "Date Sent" prior to July 5, 2022, or after February 28, 2023, compare the dates the roster files were sent to the return dates to verify that the school returned the roster files within 15 days.
- C.2.1.b. Identify the students from the sample of students selected for compliance testing who had a reduction or increase in attendance levels, graduated, withdrew, dropped out, or enrolled but never began attendance during the audit/examination period and for whom the school was required to report such change in enrollment status from the beginning of the school's fiscal year up to the last regularly scheduled Enrollment Roster prior to July 19, 2022 and/or from the last regularly scheduled Enrollment Roster after February 28, 2023 up to the fiscal year end. For those students, compare the data in the student's NSLDS Enrollment Detail to the student's academic file and other school records and verify that the school is accurately reporting the student's enrollment status.

For impacted single audits of public and private-nonprofit schools performed in accordance with the 2021 and 2022 Compliance Supplement, see the [January 12, 2023](#), FSA Electronic Announcement for revised audit objectives and procedures.

Contact for Questions

Questions pertaining to this letter may be directed to the Office of Inspector General's Non-Federal Audit Team via email to OIGNon-FederalAudit@ed.gov.

Respectfully,

/s/

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