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April 13, 2018

Dr. David L. Callender  
President  
The University of Texas Medical Branch at Galveston  
301 University Blvd.  
Galveston, Texas 77555-0129

Dear Dr. Callender,

I am attaching the final report on *A Compliance Audit of College Access Loan at The University of Texas Medical Branch at Galveston, Report No. THECB-CM-FA-18-021*. There were no findings resulting from this engagement.

This Compliance Monitoring audit report will be presented to the THECB Committee on Agency Operations, a standing committee of the THECB Board, in July 2018.

The cooperation of your staff during this review is greatly appreciated. If you have any questions or comments, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Mark A. Poehl". The signature is fluid and cursive.

Mark A. Poehl, CPA, CIA, CISA, CFE  
Director, Internal Audit and Compliance

## **EXECUTIVE SUMMARY**

The University of Texas Medical Branch at Galveston complied with relevant Coordinating Board (THECB) rules and regulations for the College Access Loan (CAL) Program and with Texas Administrative Code (TAC) §22.42 - 22.55.

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide reasonable basis for our findings and recommendations based on our audit objectives. We believe the evidence obtained provides a reasonable basis for the findings and recommendations, if any, based on the audit objectives.

We reviewed the following areas:

### **Award Amounts**

No reportable findings were noted.

### **Student Eligibility**

No reportable findings were noted.

### **Financial Need**

No reportable findings were noted.

### **Satisfactory Academic Progress**

No reportable findings were noted.

### **Residency**

No reportable findings were noted.

### **Enrollment Requirement**

No reportable findings were noted.

### **Approved Degree Program**

No reportable findings were noted.

### **Reconciliation of CAL Funds**

No reportable findings were noted.

### **Audit Scope, Objective, and Methodology**

Our audit included tests of CAL eligibility requirements data reported and certified by The University of Texas Medical Branch at Galveston. Our audit focused on CAL data for the financial aid year 2016-2017.

Our work included procedures to verify:

- Students met all eligibility criteria including SAP requirements;
- Students demonstrated financial need;
- Students fulfilled residency requirements;
- Reported award amounts reconciled with between the student information, system data and payment records;
- Students were enrolled at least half-time; and
- Students were in a course of study leading to an associate, bachelor's, graduate, or higher degree.

The audit methodology included objectively reviewing and analyzing various forms of documentation, conducting interviews and observations, and performing other tests of controls necessary to achieve the objectives of the audit.

## **Background**

The CAL Program provides alternative educational loans to Texas students who are unable to meet the cost of attendance. Students must meet the following eligibility requirements to receive a CAL:

- Be a Texas resident;
- Be enrolled at least half-time in a course of study leading to an associate, bachelor's, graduate, or higher degree, or be enrolled in an approved Alternative Educator Certification Program; and
- Meet the satisfactory academic progress requirements set by the institution.

Texas Administrative Code §1.13 (b)(2) states, "The purpose of the Board's risk assessment process and compliance methodologies is to maximize the effectiveness of monitoring funds allocated by the Board and data reported to the Board. The agency-wide, risk-based compliance monitoring function is established for... (A) funds allocated by the Board to institutions of higher education, private or independent institutions of higher education, and other entities, including student financial assistance funds, academic support grants, and any other grants, to ensure that those funds are distributed in accordance with applicable law and Board rule."

The University of Texas Medical Branch at Galveston was awarded \$569,650 in College Access Loans for the financial aid year 2016-2017.

**PERFORMED BY:**

Ms. Carol Conner, Compliance Specialist (Lead Auditor)  
Mr. David Mahoney, Compliance Specialist  
Mr. Daniel Nzeka, Compliance Specialist

cc:

**THECB**

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