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May 7, 2019

Dr. Dana Hoyt  
President  
Sam Houston State University  
1905 University Ave.  
Huntsville, Texas 77340

Dear Dr. Hoyt,

I am attaching the final report on *A Compliance Audit of B-On-Time (BOT) and College Access Loan (CAL) Programs at Sam Houston State University*, Report No. THECB-CM-FA-19-012. 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 2019.

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".

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

## EXECUTIVE SUMMARY

Sam Houston State University complied with relevant Texas Higher Education Coordinating Board (THECB) rules and regulations for the B-On-Time (BOT) and College Access Loan (CAL) Programs and with the Texas Administrative Code (TAC) Title 19, Part 1, Chapter 21, Subchapter E §21.123 - §21.129 and §22.42 - 22.55 respectively.

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 for compliance with the B-On-Time (BOT) loan program requirements as noted in the table below:

<b>BOT Compliance Items Reviewed</b>	<b>Results</b>
Award Amounts	No reportable findings were noted.
Student Eligibility	No reportable findings were noted.
Cumulative GPA	No reportable findings were noted.
Cumulative Credit Hours	No reportable findings were noted.
Satisfactory Academic Progress	No reportable findings were noted.
Residency	No reportable findings were noted.
Graduated within Maximum Timeframe	No reportable findings were noted.
Disbursed Funds to Students within the Allowable Timeframe	No reportable findings were noted.
Reconciliation of BOT Funds	No reportable findings were noted.

We reviewed the following areas for compliance with the College Access Loan (CAL) program requirements as noted in the table below:

<b>CAL Compliance Items Reviewed</b>	<b>Results</b>
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 BOT and CAL eligibility requirements data reported and certified by Sam Houston State University. Our audit focused on BOT and CAL data reported for the financial aid year 2017-2018.

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

### **Background**

The purpose of the BOT loan program is to provide eligible Texas students no-interest loans to attend colleges and universities in Texas. The purpose of the CAL program is to provide alternative educational loans to Texas students who are unable to meet the cost of attendance requirements.

Texas Administrative Code Title 19, Part 1, Subchapter A, Rule §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."

Sam Houston State University was awarded \$379,111 in B-On-Time and \$1,513,105 in College Access Loan programs for the financial aid year 2017-2018.

**PERFORMED BY:**

Ms. Carol Conner, Compliance Specialist (Lead Auditor)  
Ms. Jamyen Robinson-Hall, Compliance Specialist  
Mr. Bobby Lane, Compliance Specialist  
Ms. Elizabeth Steele, Compliance Specialist

CC:

**THECB**

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