

TEXAS HIGHER EDUCATION COORDINATING BOARD
INTERNAL AUDIT & COMPLIANCE MONITORING

Compliance Monitoring Plan

Fiscal Year 2018

Specific risk factors from Texas Administrative Code Section 1.13 Internal Auditor and Compliance Monitoring, were used to develop the Compliance Monitoring Annual Plan. These factors included:

- The amount of student financial assistance or grant funds allocated to the institution by the Board;
- Whether the institution is required to obtain and submit an independent audit;
- The institution’s internal controls;
- The length of time since the institution’s last desk review or site visit;
- Past misuse of funds or misreported data by the institution; and
- In regard to data verification, whether the data reported to the Board by the institution is used for determining funding

| Risk-Based Reviews | <u>Hours</u> | <u>%</u> |
|--|---------------------|-----------------|
| 1. Formula Funding at Institutions of Higher Education | 375 | 22% |

Perform reviews of contact hours at public community/junior colleges and formula variable reviews at other public institutions of higher education. Formula funding for institutions of higher education totals approximately \$4.2 billion annually.

Public Universities – 1 institution, based on risk assessment

Desk Reviews

Sam Houston State University

Public Community/Junior Colleges – 1 institution, based on risk assessment

Onsite Reviews

Amarillo College

| | | |
|--|-------|-----|
| 2. Student Financial Assistance Compliance at Institutions of Higher Education | 1,350 | 78% |
|--|-------|-----|

Perform compliance reviews of student financial assistance programs at public community/junior colleges or other public/private institutions of higher education. Student financial assistance disbursed to colleges and universities in Texas totals approximately \$930 million annually.

Public Universities – 2 institutions, based on risk assessment

Onsite Review

Texas Tech University

Desk Review

Texas Southern University

Public Community/Junior Colleges – 3 institutions based on risk assessment

Onsite Review

Lone Star College System
San Jacinto College District

Desk Review

Northeast Texas Community College

Private Universities - 1 institution, based on risk assessment

Onsite Review

University of Mary Hardin Baylor

Public Health Related Institutions - 1 institution, based on risk assessment

Onsite Review

The University of Texas Medical Branch at Galveston

| | | |
|---------------------------------|--------------|-------------|
| TOTAL RISK-BASED REVIEWS | 1,725 | 100% |
|---------------------------------|--------------|-------------|

Completion of FY17 Risk-Based Reviews

| | |
|--------------|----------|
| Hours | % |
|--------------|----------|

- | | | |
|--|-------|-----|
| 1. Formula Funding at Institutions of Higher Education 6 institutions | 1,125 | 75% |
| 2. Student Financial Aid Compliance at Institutions of Higher Education 2 institutions | 375 | 25% |

| | | |
|---|--------------|-------------|
| TOTAL COMPLETION of FY17 REVIEWS | 1,500 | 100% |
|---|--------------|-------------|

Follow-Up Reviews

| | |
|--------------|----------|
| Hours | % |
|--------------|----------|

- | | | |
|--|-------|-----|
| 3. Formula Funding at Institutions of Higher Education 9 institutions | 1,000 | 53% |
| 4. Student Financial Aid Compliance at Institutions of Higher Education 9 institutions | 900 | 47% |

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|--------------------------------|--------------|-------------|
| TOTAL FOLLOW-UP REVIEWS | 1,900 | 100% |
|--------------------------------|--------------|-------------|