

2018 Texas Higher Education Leadership Conference

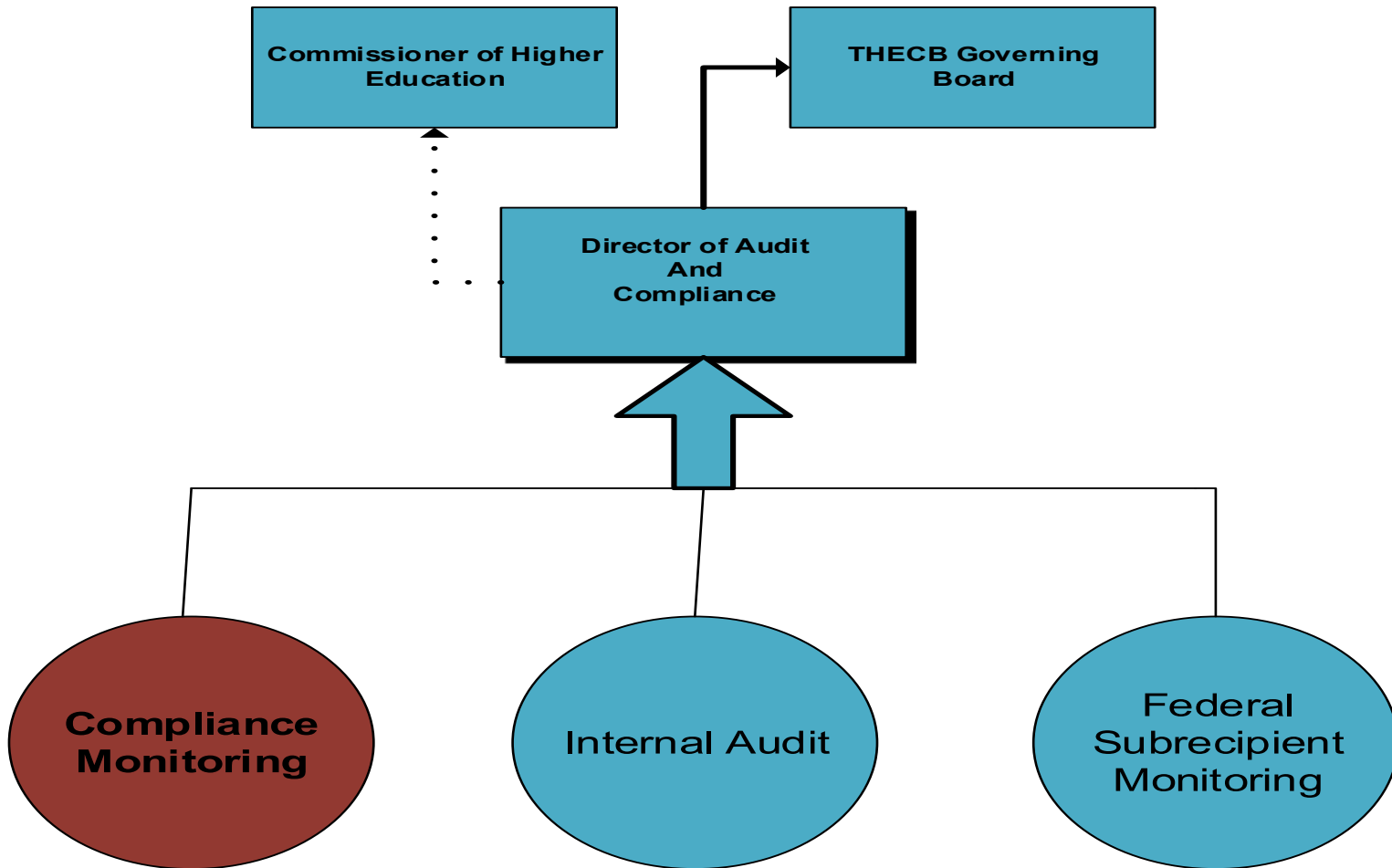


Texas Higher Education
Coordinating Board

Compliance Monitoring

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Internal Audit and Compliance
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TEXAS HIGHER EDUCATION COORDINATING BOARD INTERNAL AUDIT AND COMPLIANCE



Compliance Monitoring

- **CB Compliance Monitoring has statutory definition in SB 215, 83rd Legislative Session**
- **Two areas of Compliance Monitoring Emphasis:**
 - **Funds allocated by the CB to institutions of higher education – grants, scholarships, loans, work study – used in accordance with laws and rules**
 - **Data reported by institutions of higher education to the CB, used for funding or policymaking decisions – reported in accordance with laws and rules**

What will CB Compliance Monitoring Look Like from Your Perspective?

- **Audit processes follow professional auditing standards, with well-qualified/trained staff performing Compliance Monitoring Audits at your institution**
- **Audit processes emphasize planning, communication, and a disruption-minimizing approach to work**
- **Audit reporting process is multi-staged and inclusive, and results in final report issued to the institution's President that includes the institution's response to any noted recommendations**

Other Public University Audit Resources

➤ **A program of internal auditing is required by the Texas Internal Auditing Act – Government Code Chapter 2102 for state agencies. Public universities have certain internet publication requirements, as part of the Internal Auditing Act.**

(1) the agency's internal audit plan approved as provided by Section [2102.008](#); and [approval of audit plan by governing board]

(2) the agency's annual report required under Section [2102.009](#). [annual report includes such things as all audit reports issued for the year, the annual board-approved audit plan, deviations from the audit plan, other audit or consulting services obtained or provided]

Other Public University Audit Resources, Continued

- **Texas State Auditor's Office (SAO) – the state's independent auditor; enabling legislation Chapter 321 Texas Government Code**
- **SAO performs various audit services including the financial statement opinion audit for the State of Texas as a whole**
- **Other external auditors such as federal auditors – Department of Education, etc....depending on the programs of the public university**
- **https://na.theiia.org/standards-guidance/Public%20Documents/20_Questions_InternalAudit1.pdf**



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Internal Audit & Compliance Monitoring

Internal Audit Charter

The Internal Audit Charter defines Internal Audit's purpose, authority, and responsibility as approved by the agency's governing board.

Report Fraud

The Texas Higher Education Coordinating Board along with its Stakeholders, are responsible for protecting the assets and resources of the agency, and its programs. To accomplish this, Stakeholders are encouraged to report factual information suggestive of dishonest or illegal activities involving the agency and its programs.

Annual Internal Audit and Compliance Monitoring Plans

The Annual Internal Audit Plan and Annual Compliance Monitoring Plan are reports of scheduled audits by process or location that are developed each year based on a comprehensive risk assessment. These plans are approved annually by the agency's governing board.

Annual Internal Audit Reports

The Texas Internal Auditing Act requires certain state agencies and higher education institutions to submit an internal audit annual report each year to the Governor, the Legislative Budget Board, the Sunset Advisory Commission, the State Auditor's Office (SAO), and the entities' governing boards and chief executives.

Internal Audit Reports

An Internal Audit report is a formal document where Internal Audit summarizes audit results and reports its findings and recommendations based on that work.

Compliance Monitoring Reports

A Compliance Monitoring audit report is a formal document where Compliance Monitoring summarizes audit or desk review results and reports its findings and recommendations based on that work.

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The Auditing Process for Public Universities in Texas

QUESTIONS/DISCUSSION?

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