

Texas Higher Education Coordinating Board

## State Compliance Monitoring Work Plan for FY 2022

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Internal Audit and Compliance*

July 21, 2021

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## Internal Audit and Compliance Monitoring

### **Overview - The Internal Audit and Compliance Monitoring department includes 11 FTE over three primary areas**

- Multiple-area Responsibilities: 2 FTE (Assistant Commissioner and Assistant Director)
- Internal Audit: 2 FTE
- State Compliance Monitoring: 5 FTE
- Federal Compliance: 2 FTE

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# State Compliance Monitoring Plan

## Overview - represents our evaluation of the highest risks; as required by professional standards

- Plan derived using systematic process; we look at quantitative information and qualitative information; collaborative input
- Risk-based coverage of statutorily defined areas:
  - Data integrity of (primarily) formula funding;
  - Compliance by IHEs of financial assistance funds received; and
  - Compliance with sexual misconduct-related statutes.
- Other required areas:
  - Follow up on corrective action implementation; and
  - External peer review once every three years

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# State Compliance Monitoring Plan

## Additional Detail for State CM Plan

- State CM is more quantitative centric since it is compliance-based and more quantifiable across many institutions. State CM has specific statutory requirements for risk-based review.
- State CM has specific statutory risk assessment categories:
  - 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 system of 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
  - Regarding data verification, whether the data reported to the Board by the institution is used for determining funding.

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**Questions ?**

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