

TEXAS HIGHER EDUCATION COORDINATING BOARD

Agency Operations Committee

VIA LIVE BROADCAST

July 22, 2020; 10:00 a.m.

*(or upon adjournment of the Committee on Academic Workforce and Success
meeting, whichever occurs later)*

*Ricky A. Raven,
Chair*

*Emma W. Schwartz
Vice Chair*

S. Javaid Anwar

Cody C. Campbell

Fred Farias III, O.D.

Levi D. McClenny,

Student Representative, Ex-Officio

Stuart W. Stedman

Ex-Officio

*BROADCAST LINK: A link to the live broadcast for this meeting will be available on our website at
<http://www.highered.texas.gov>.*

*PUBLIC TESTIMONY: The presiding chair shall designate whether public testimony will be taken at the
beginning of the meeting, at the time the related item is taken up by the Board after staff has presented
the item, or any other time. For procedures on testifying, please go to
<http://www.highered.texas.gov/about-us/meetings-broadcasts/public-testimony1/>.*

I. Welcome and Committee Chair's Opening Remarks

II. Approval of the Minutes

- A. April 23, 2020, Committee Meeting

III. Public Testimony on agenda items relating to the Agency Operations Committee

IV. Agency Operations

- A. Report on grants and contracts
- B. Update on the FY2020 Key Security Initiatives Implementation Roadmap
- C. Update on the Performance Evaluation Process for Direct Reports to the Commissioner of Higher Education
- D. Consideration of adopting amendments to the Board Operating Policies and Procedures

V. Finance

- A. Review of the Fiscal Year 2020 Financial Report to the Board

VI. Internal Audit

- A. Discussion of the Audit of the Agency-wide Financial Statements for fiscal year ended August 31, 2019 by KPMG, LLP

- B. Consideration of adopting the Commissioner's recommendation to the Committee regarding the approval to: (1) issue a Request for Qualifications to conduct the audit of the Agency-wide Financial Statements for fiscal year ended August 31, 2020; and (2) enter into a contract with the selected auditing firm, subject to the approval of the Board Chair, Vice Chair, and Chair of the Committee on Agency Operations, with options to renew the contract for up to three additional years
- C. Consideration of adopting the Commissioner's recommendation to the Committee relating to the Annual Internal Audit Plan for Fiscal Year 2021
- D. Update on Internal Audit Reports and Activities

VII. Compliance Monitoring

- A. Consideration of adopting the Commissioner's recommendation to the Committee relating to the Annual Compliance Monitoring Plan for Fiscal Year 2021
- B. Update on Compliance Monitoring Reports and Activities

VIII. Adjournment

The Texas Higher Education Coordinating Board Agency Operations Committee may convene in Executive Session at any point in this meeting, concerning any item listed in the agenda or to seek or to receive its attorney's advice on legal matters related thereto, pursuant to Texas Government Code Ann. 551.071.

Note: The Board will not consider or act upon any item before the Agency Operations Committee at this meeting. This meeting is not a regular meeting of the full Board. Because the number of Board members who may attend the committee meeting may create a quorum of the full Board, the meeting of the Agency Operations Committee is also being posted as a meeting of the full Board.

Texas Penal Code Section 46.035(c) states: "A license holder commits an offense if the license holder intentionally, knowingly, or recklessly carries a handgun under the authority of Subchapter H, Chapter 411, Government Code, regardless of whether the handgun is concealed or carried in a shoulder or belt holster, in the room or rooms where a meeting of a governmental entity is held and if the meeting is an open meeting subject to Chapter 551, Government Code, and the entity provided notice as required by that chapter." Thus, no person can carry a handgun and enter the room or rooms where a meeting of the THECB is held if the meeting is an open meeting subject to Chapter 551, Government Code.

Please Note that this governmental meeting is, in the opinion of counsel representing THECB, an open meeting subject to Chapter 551, Government Code and THECB is providing notice of this meeting as required by Chapter 551. In addition, **please note** that the written communication required by Texas Penal Code Sections 30.06 and 30.07, prohibiting both concealed and open carry of handguns by Government Code Chapter 411 licensees, will be posted at the entrances to this governmental meeting.

Note: Highlighted items in gray are on the Consent Calendar

Agency Operations Committee

AGENDA ITEM I

Welcome and Committee Chair's Opening Remarks

Mr. Ricky Raven, Chair of the Agency Operations Committee, will provide the Committee an overview of the items on the agenda.

Agency Operations Committee

AGENDA ITEM II

Consideration of Approval of the Minutes from April 23, 2020, Committee meeting

RECOMMENDATION: Approval

DRAFT
TEXAS HIGHER EDUCATION COORDINATING BOARD
Agency Operations Committee

Thursday, April 23, 2020; 9:00 a.m.
Via Conference Call

The Agency Operations Committee convened at 9:00 a.m. on April 23, 2020, with the following members present: Ricky Raven, presiding; Cody Campbell; Fred Farias; Emma Schwartz; Stuart Stedman; and Lauren McKenzie (Ex-Officio). Javaid Anwar joined the conference call at 9:03 a.m.

Other Board members present: Sam Torn; Donna Williams; and Welcome Wilson

Members absent: none

AGENDA ITEM	ACTION
I. Welcome and Committee Chair's Opening Remarks	Mr. Raven called the teleconference meeting of the Agency Operations Committee to order and called the role. All members were present. A quorum was met for this meeting.
II. Consideration of Approval of the Minutes from January 22, 2020, Committee Meeting	On a motion by Ms. Schwartz, seconded by Mr. Campbell, the Committee approved the January 22, 2020, Agency Operations Committee meeting minutes. Vote: Four in favor, none against. Mr. Anwar was not present for this vote.
III. Public Testimony on Agenda Items Relating to the Committee on Agency Operations	No action required.
IV. Agency Operations	
A. Report on grants and contracts	Mr. Bill Franz, General Counsel, and Ms. Linda Natal, Director, Grants and Contracts, were available for questions. This item did not require any action.

V. Finance	
A. Update on Loan Program Payments and Bond	Mr. Ken Martin, Assistant Commissioner for Financial Services/CFO, presented this item to the Committee and was available for questions. This item did not require any action.
VI. Internal Audit	
A. Update on Internal Audit Reports and Activities	Mr. Mark Poehl, Director of Internal Audit and Compliance, and Mr. Paul Maeyaert, Assistant Director of Internal Audit and Compliance, were available for questions. This item did not require any action.
B. Discussion of Statements on Auditing Standards No. 114, The Auditor's Communication with Those Charged with Governance	Ms. Susan Warren, Audit Partner, with KPMG LLP, presented this item to the Committee and was available for questions. This item did not require any action.
C. Discussion of the State of Texas Federal Portion of the Statewide Single Audit for the Fiscal Year Ended August 31, 2019, Report Number 20-317 issued March 2020 by the Texas State Auditor's Office	Ms. Bhakti Patel, Principal from Clifton Larson Allen, was available for questions. This item did not require any action.
VII. Compliance Monitoring	
A. Update on Compliance Monitoring Reports and Activities	Mr. Mark Poehl, Director of Internal Audit and Compliance, presented this item to the Committee and was available to answer questions. This item did not require any action.
VIII. Adjournment	On a motion by Mr. Campbell, seconded by Dr. Farias, the meeting adjourned at approximately 9:20 a.m. The vote was unanimous.

Agency Operations Committee

AGENDA ITEM III

Public Testimony on agenda items relating to the Agency Operations Committee

RECOMMENDATION: No action required

Background Information:

PUBLIC TESTIMONY: The presiding chair shall designate whether public testimony will be taken at the beginning of the meeting, at the time the related item is taken up by the Board after staff has presented the item, or any other time as determined by the presiding chair.

Agency Operations Committee

AGENDA ITEM IV-A

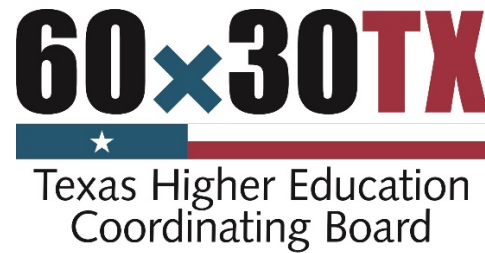
Report on grants and contracts

RECOMMENDATION: No action required

Background Information:

Texas Administrative Code, Title 19, Rule 1.16(j) establishes that any contract for the purchase of goods or services that exceeds \$1 million may be entered into only if the contract is approved and signed by the Commissioner, to whom the Board of the Texas Higher Education Coordinating Board (THECB), by virtue of this rule, delegates such approval and signature authority. In addition to the Board receiving a quarterly report on *Contracts Executed by the Agency in Accordance with Board Rule 1.16*, the THECB staff also provides the Board a quarterly report highlighting and listing all grants and contracts exceeding \$1 million.

Bill Franz, General Counsel, will be available to answer questions.



Texas Higher Education Coordinating Board

Contracts Executed by the Agency in Accordance with Board Rule 1.16

March 11, 2020 - June 8, 2020

AGENDA ITEM IV-A

Contracts Executed by the Agency in Accordance with Board Rule 1.16

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Division	Contract#	Performing Agent	Description	Active Date	Total \$
Academic Quality and Workforce	22710	Western Texas College	2019-2020 Perkins Basic Reallocation	3/17/2020	4,464.00
Academic Quality and Workforce	22666	Alvin Community College	2019-2020 Perkins Basic Reallocation	4/1/2020	15,243.00
Academic Quality and Workforce	22707	Victoria College	2019-2020 Perkins Basic Reallocation	4/2/2020	18,624.00
Academic Quality and Workforce	22697	Temple College	2019-2020 Perkins Basic Reallocation	3/16/2020	18,848.00
Academic Quality and Workforce	22685	Northeast Texas Community College	2019-2020 Perkins Basic Reallocation	4/2/2020	20,873.00
Academic Quality and Workforce	22679	Midland College	2019-2020 Perkins Basic Reallocation	3/16/2020	20,977.00
Academic Quality and Workforce	22709	Weatherford College	2019-2020 Perkins Basic Reallocation	3/17/2020	22,909.00
Academic Quality and Workforce	22711	Wharton County Junior College	2019-2020 Perkins Basic Reallocation	3/17/2020	23,872.00
Academic Quality and Workforce	22705	Vernon College	2019-2020 Perkins Basic Reallocation	4/2/2020	29,154.00
Academic Quality and Workforce	22687	Odessa College	2019-2020 Perkins Basic Reallocation	3/16/2020	30,228.00
Academic Quality and Workforce	22692	Paris Junior College	2019-2020 Perkins Basic Reallocation	3/16/2020	30,468.00
Academic Quality and Workforce	22699	Texarkana College	2019-2020 Perkins Basic Reallocation	3/17/2020	41,192.00
Academic Quality and Workforce	22689	Panola College	2019-2020 Perkins Basic Reallocation	3/16/2020	42,601.00
Academic Quality and Workforce	22681	Navarro College	2019-2020 Perkins Basic Reallocation	4/2/2020	43,403.00
Academic Quality and Workforce	22682	North Central Texas Community College District	2019-2020 Perkins Basic Reallocation	3/16/2020	50,654.00
Academic Quality and Workforce	22674	Lee College	2019-2020 Perkins Basic Reallocation	4/7/2020	55,136.00
Academic Quality and Workforce	22702	Trinity Valley Community College	2019-2020 Perkins Basic Reallocation	3/17/2020	58,800.00
Academic Quality and Workforce	22695	South Plains College	2019-2020 Perkins Basic Reallocation	3/16/2020	59,154.00
Academic Quality and Workforce	22677	McLennan Community College	2019-2020 Perkins Basic Reallocation	3/13/2020	79,405.00
Academic Quality and Workforce	22693	San Jacinto College District	2019-2020 Perkins Basic Reallocation	3/16/2020	93,938.00
Academic Quality and Workforce	22676	Lone Star College System	2019-2020 Perkins Basic Reallocation	4/1/2020	109,535.00
Academic Quality and Workforce	22703	Tyler Junior College	2019-2020 Perkins Basic Reallocation	3/17/2020	110,187.00
Academic Quality and Workforce	22673	Alamo Community College District	2019-2020 Perkins Basic Reallocation	3/25/2020	179,293.00
Academic Quality and Workforce	22696	South Texas College	2019-2020 Perkins Basic Reallocation	3/16/2020	206,063.00
Academic Quality and Workforce	22700	Texas State Technical College System	2019-2020 Perkins Basic Reallocation	3/17/2020	263,435.00
Academic Quality and Workforce	22698	Frank Phillips College	2019-2020 Perkins Basic Reallocation	3/17/2020	9,066.00
Academic Quality and Workforce	22684	Brazosport College	2019-2020 Perkins Basic Reallocation	3/16/2020	10,675.00
Academic Quality and Workforce	22701	Galveston College	2019-2020 Perkins Basic Reallocation	3/17/2020	12,437.00
Academic Quality and Workforce	22708	Howard College	2019-2020 Perkins Basic Reallocation	3/17/2020	17,618.00
Academic Quality and Workforce	22688	College of the Mainland	2019-2020 Perkins Basic Reallocation	4/2/2020	21,020.00
Academic Quality and Workforce	22716	Lamar State College-Port Arthur	2019-2020 Perkins Basic Reallocation	3/17/2020	25,238.00
Academic Quality and Workforce	22714	Lamar State College-Orange	2019-2020 Perkins Basic Reallocation	3/17/2020	25,656.00
Academic Quality and Workforce	22686	Cisco College	2019-2020 Perkins Basic Reallocation	3/16/2020	31,489.00
Academic Quality and Workforce	22683	Blinn College	2019-2020 Perkins Basic Reallocation	3/16/2020	39,903.00
Academic Quality and Workforce	22713	Lamar Institute of Technology	2019-2020 Perkins Basic Reallocation	4/7/2020	41,253.00
Academic Quality and Workforce	22704	Grayson College	2019-2020 Perkins Basic Reallocation	3/17/2020	43,022.00
Academic Quality and Workforce	22712	Kilgore College	2019-2020 Perkins Basic Reallocation	3/17/2020	46,261.00
Academic Quality and Workforce	22717	Laredo Community College	2019-2020 Perkins Basic Reallocation	3/17/2020	57,530.00
Academic Quality and Workforce	22678	Angelina College	2019-2020 Perkins Basic Reallocation	3/16/2020	61,683.00
Academic Quality and Workforce	22694	El Paso County Community College District	2019-2020 Perkins Basic Reallocation	4/2/2020	75,600.00
Academic Quality and Workforce	22675	Amarillo College	2019-2020 Perkins Basic Reallocation	4/7/2020	76,021.00
Academic Quality and Workforce	22691	Del Mar College	2019-2020 Perkins Basic Reallocation	3/16/2020	86,321.00
Academic Quality and Workforce	22706	Houston Community College System	2019-2020 Perkins Basic Reallocation	3/25/2020	222,235.00
Academic Quality and Workforce	22680	Austin Community College	2019-2020 Perkins Basic Reallocation	3/16/2020	111,190.00
Academic Quality and Workforce	22942	The University of Texas at Dallas	Amend end date from June 30, 2020 to January 31, 2021 to serve additional students	3/18/2020	-
Academic Quality and Workforce	22936	Baylor College of Medicine	Amend end date from June 30, 2020 to June 30, 2021 to serve additional students	4/8/2020	-
Academic Quality and Workforce	22939	Texas A&M University	Amend end date from June 30, 2020 to June 30, 2021 to serve additional students	3/18/2020	-
Academic Quality and Workforce	22940	The University of Texas at Dallas	Amend end date from June 30, 2020 to June 30, 2021 to serve additional students	3/18/2020	-
Academic Quality and Workforce	22941	Sam Houston State University	Amend end date from June 30, 2020 to June 30, 2021 to serve additional students	3/18/2020	-
Academic Quality and Workforce	22943	The University of Texas at San Antonio	Amend end date from June 30, 2020 to June 30, 2021 to serve additional students	3/18/2020	-
Academic Quality and Workforce	22946	Texas A&M University	Amend end date from June 30, 2020 to June 30, 2021 to serve additional students	3/18/2020	-
Academic Quality and Workforce	22947	Texas Tech University	Amend end date from June 30, 2020 to June 30, 2021 to serve additional students	4/8/2020	-
Academic Quality and Workforce	22937	Baylor University	Amend end date from June 30, 2020 to March 31, 2021 to serve additional students	3/18/2020	-
Academic Quality and Workforce	22920	Chad Allen Steed	Amend site visit to a virtual site visit due to COVID-19	4/7/2020	2,000.00

Contracts executed March 11, 2020 - June 8, 2020 and those not included in previous reports

07/20

AGENDA ITEM IV-A

Contracts Executed by the Agency in Accordance with Board Rule 1.16

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Division	Contract#	Performing Agent	Description	Active Date	Total \$
Academic Quality and Workforce	22924	XiJin Ge	Amend site visit to a virtual site visit due to COVID-19	3/25/2020	3,000.00
Academic Quality and Workforce	22930	Eleanor Loiacono	Amend site visit to a virtual site visit due to COVID-19	4/4/2020	3,000.00
Academic Quality and Workforce	23016	Chad Allen Steed	Amend to a site visit to virtual site visit of the proposed PhD in Data Science program	4/7/2020	-
Academic Quality and Workforce	23021	XiJin Ge	Amend to a site visit to virtual site visit of the proposed PhD in Data Science program	4/8/2020	-
Academic Quality and Workforce	23022	Eleanor Loiacono	Amend to a site visit to virtual site visit of the proposed PhD in Data Science program	4/8/2020	-
Academic Quality and Workforce	23032	Hon Yuen	Amend to a virtual site visit of the proposed OTD in Occupational Therapy degree	4/14/2020	-
Academic Quality and Workforce	23033	Stacey Reynolds	Amend to a virtual site visit of the proposed OTD in Occupational Therapy degree	4/14/2020	-
Academic Quality and Workforce	23057	Brustein & Manasevit	Assist in updating the DOE's Office of Civil Right's Methods of Administration's (MOA) Guidelines	5/5/2020	9,000.00
Academic Quality and Workforce	23097	Competency-Based Education Network Inc	Competency-Based Education Network Membership	5/29/2020	500.00
Academic Quality and Workforce	23026	Terri Allison	Conduct a desk review of the proposed Doctor of Nursing Practice (DNP)	4/17/2020	500.00
Academic Quality and Workforce	23038	T Grandon Gill	Conduct a desk review of the proposed DBA in Business Administration	4/24/2020	500.00
Academic Quality and Workforce	23035	Robert J Snyder	Conduct a desk review of the proposed Doctor of Podiatric Medicine (DPM)	5/7/2020	500.00
Academic Quality and Workforce	23023	Johnny Guzman	Conduct a desk review of the proposed PhD in Mathematics and Statistics program	4/13/2020	500.00
Academic Quality and Workforce	23084	Ellen B Goldring	Conduct a virtual site visit of the proposed EDD in Educational Leadership degree	5/22/2020	1,000.00
Academic Quality and Workforce	23086	Richard Ginsberg	Conduct a virtual site visit of the proposed EDD in Educational Leadership degree	5/27/2020	1,000.00
Academic Quality and Workforce	23039	Stacy Smallfield	Conduct a virtual site visit of the proposed OTD in Occupational Therapy degree	4/24/2020	1,000.00
Academic Quality and Workforce	23120	National Assoc.of State Admin. and Supervisors of Private Schools	Conference-Leading Higher Ed in The COVID-19 Era	6/5/2020	75.00
Academic Quality and Workforce	23013	Brustein & Manasevit	Federal Virtual Trainings	3/23/2020	3,530.00
Academic Quality and Workforce	23015	Brustein & Manasevit	Host Perkins V Comprehensive Local Needs Assessment Webinar	3/31/2020	5,000.00
Academic Quality and Workforce	22600	Institute for the Study of Knowledge Management in Education	House Bill 3652 Open Educational Resources State Repository Portal	3/20/2020	116,000.00
Academic Quality and Workforce	23077	National Alliance for Partnerships in Equity Inc	National Alliance for Partnerships in Equity (NAPE) Membership	5/11/2020	150.00
Academic Quality and Workforce	22998	Longhorn Office Products Inc	Office Furniture	3/19/2020	245.57
Academic Quality and Workforce	22948	Baylor College of Medicine	Texas Child Mental Health Care Consortium	3/19/2020	2,397,083.00
College Readiness and Success	21899	The University of Texas At Austin (Serv)	Advise TX Innovation and Opportunity Grant	3/12/2020	220,500.00
College Readiness and Success	23088	Lockbox Objectwin Technology Inc	Programmer/Developer Analyst Contractor_TXWorks Program Application	5/18/2020	54,720.00
College Readiness and Success	23073	Audio Fidelity Communications Corp	ZOOM Business	5/14/2020	2,771.90
Commissioner's Office	22988	Texas Correctional Industries	Office Furniture	3/11/2020	482.00
Commissioner's Office	22988	Texas Correctional Industries	Office Furniture	3/11/2020	596.00
Commissioner's Office	22988	Texas Correctional Industries	Office Furniture	3/11/2020	948.00
Commissioner's Office	23002	Wolters Kluwer Financial Services Inc	Teammate License	3/17/2020	725.76
Commissioner's Office	23002	Wolters Kluwer Financial Services Inc	Teammate License	3/17/2020	1,322.31
External Relations	23076	Texas Legislative Service	Direct Publication Texas Legislative Services	5/4/2020	4,254.50
Financial Services	23058	New West Communications	Develop Communication Plan Related to COVID-19 on Texas Higher Education	4/28/2020	5,000.00
Financial Services	23074	Forum for the Future of Higher Education	Forum for the Future of Higher Education Membership	5/6/2020	5,000.00
Financial Services	22928	Red River Consulting LLC	Programmer/Developer Analyst Contractor_Peace Officer Loan Repayment Program Application	3/11/2020	56,000.00
Financial Services	23019	Arthur J Gallagher Risk Management Services Inc	Property Insurance	3/27/2020	1,493.00
Financial Services	23090	Shi Government Solutions Inc	Surveillance Hard Drive	5/19/2020	119.00
Human Resources	23004	TL Abbott Investments LLC	Business Cards	3/13/2020	38.00
Human Resources	23003	Texas Correctional Industries	Name Plate	3/12/2020	3.28
Information Solutions & Services	23017	Great South Texas Corporation	20 Flip and Touchscreen Laptops and Service Agreement	3/24/2020	32,019.00
Information Solutions & Services	23085	Shi Government Solutions Inc	30 Laptops and Service Agreement	5/14/2020	38,007.90
Information Solutions & Services	23008	Web-Head Technologies Inc	Hosting & Managed Service	3/17/2020	9,900.00
Information Solutions & Services	23025	Shi Government Solutions Inc	IT Software	3/27/2020	30,132.00
Information Solutions & Services	23118	Shi Government Solutions Inc	Moveit Consulting	6/4/2020	8,638.05
Information Solutions & Services	23020	Shi Government Solutions Inc	Office Equipment	3/24/2020	732.70
Information Solutions & Services	23093	Coastal Commerce Group LLC	Renewal of Audio Codes Software Maintenance	5/27/2020	2,105.88
Information Solutions & Services	23091	AT&T Teleconference Services	Teleconferencing	6/1/2020	7,500.00
Strategic Planning and Funding	23102	Complete Book & Media Supply Inc	Books	6/1/2020	168.00
Strategic Planning and Funding	23001	Texas Department of Public Safety	Conviction Database	3/13/2020	165.65
Strategic Planning and Funding	23027	Next Chapter Communications LLC	Design of 2020 Texas Public Higher Education Almanac	4/6/2020	22,774.00
Strategic Planning and Funding	23040	Austin Community College	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/6/2020	-
Strategic Planning and Funding	23041	Alamo Community College District	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/6/2020	-
Strategic Planning and Funding	23043	San Jacinto College District	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/13/2020	-
Strategic Planning and Funding	23044	El Paso County Community College District	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/13/2020	-

Contracts executed March 11, 2020 - June 8, 2020 and those not included in previous reports

07/20

AGENDA ITEM IV-A

Contracts Executed by the Agency in Accordance with Board Rule 1.16

3

Division	Contract#	Performing Agent	Description	Active Date	Total \$
Strategic Planning and Funding	23045	The University of Texas at Arlington	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/6/2020	-
Strategic Planning and Funding	23046	Dallas County Community College District	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/13/2020	-
Strategic Planning and Funding	23047	University of North Texas	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/6/2020	-
Strategic Planning and Funding	23048	South Plains College	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/6/2020	-
Strategic Planning and Funding	23059	Austin Community College	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/22/2020	-
Strategic Planning and Funding	23060	Cisco College	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/13/2020	-
Strategic Planning and Funding	23062	Howard College	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/22/2020	-
Strategic Planning and Funding	23063	Midwestern State University	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	6/3/2020	-
Strategic Planning and Funding	23064	North Central Texas Community College District	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/13/2020	-
Strategic Planning and Funding	23065	Stephen F. Austin State University	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	6/3/2020	-
Strategic Planning and Funding	23066	Texas A&M International University	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/13/2020	-
Strategic Planning and Funding	23067	Texarkana College	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/22/2020	-
Strategic Planning and Funding	23068	The University of Texas at El Paso	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/13/2020	-
Strategic Planning and Funding	23049	University of Texas Rio Grande Valley	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/13/2020	-
Strategic Planning and Funding	23055	Amarillo College	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/4/2020	-
Strategic Planning and Funding	23056	The University of Texas at El Paso	Extend grant agreement from August 31, 2020 to August 31, 2021 due to COVID-19	5/4/2020	-
Strategic Planning and Funding	22999	Temple College	Nursing Shortage Reduction Program	3/18/2020	4,015.96
Strategic Planning and Funding	23070	Southwest Texas Junior College	Nursing Shortage Reduction Program	5/26/2020	4,936.00
Strategic Planning and Funding	23070	Schreiner University	Nursing Shortage Reduction Program	5/26/2020	4,936.00
Strategic Planning and Funding	23071	Texas State Technical College-Harlingen	Nursing Shortage Reduction Program	5/26/2020	4,936.00
Strategic Planning and Funding	23005	Blinn College	Nursing Shortage Reduction Program	5/26/2020	5,298.00
Strategic Planning and Funding	23005	Northeast Texas Community College	Nursing Shortage Reduction Program	5/26/2020	5,298.00
Strategic Planning and Funding	23070	Lee College	Nursing Shortage Reduction Program	5/26/2020	7,405.00
Strategic Planning and Funding	23005	Alvin Community College	Nursing Shortage Reduction Program	5/26/2020	10,597.00
Strategic Planning and Funding	23005	Central Texas College	Nursing Shortage Reduction Program	5/26/2020	10,597.00
Strategic Planning and Funding	23006	Texas State Technical College-West Texas	Nursing Shortage Reduction Program	5/26/2020	10,597.00
Strategic Planning and Funding	23070	Panola College	Nursing Shortage Reduction Program	5/26/2020	12,341.00
Strategic Planning and Funding	23005	Texarkana College	Nursing Shortage Reduction Program	5/26/2020	15,895.00
Strategic Planning and Funding	23000	Lamar State College-Port Arthur	Nursing Shortage Reduction Program	3/18/2020	16,063.83
Strategic Planning and Funding	23070	Laredo Community College	Nursing Shortage Reduction Program	5/26/2020	19,746.00
Strategic Planning and Funding	23071	Texas A&M University-Texarkana	Nursing Shortage Reduction Program	5/26/2020	19,746.00
Strategic Planning and Funding	23070	Kilgore College	Nursing Shortage Reduction Program	5/26/2020	24,682.00
Strategic Planning and Funding	23071	Lamar State College-Port Arthur	Nursing Shortage Reduction Program	5/26/2020	24,682.00
Strategic Planning and Funding	23005	Mountain View College	Nursing Shortage Reduction Program	5/26/2020	26,491.00
Strategic Planning and Funding	23005	VHS San Antonio Partners LP Baptist Health System	Nursing Shortage Reduction Program	5/26/2020	26,491.00
Strategic Planning and Funding	23006	Texas A&M International University	Nursing Shortage Reduction Program	5/26/2020	26,491.00
Strategic Planning and Funding	23000	Texas A&M University System Health Science Center	Nursing Shortage Reduction Program	3/18/2020	28,111.70
Strategic Planning and Funding	23070	Paris Junior College	Nursing Shortage Reduction Program	5/26/2020	29,619.00
Strategic Planning and Funding	23070	St. Philip's College	Nursing Shortage Reduction Program	5/26/2020	34,555.00
Strategic Planning and Funding	23070	Hardin-Simmons University	Nursing Shortage Reduction Program	5/26/2020	34,555.00
Strategic Planning and Funding	22999	McMurry University	Nursing Shortage Reduction Program	3/18/2020	36,143.62
Strategic Planning and Funding	23006	The University of Texas at Permian Basin	Nursing Shortage Reduction Program	5/26/2020	37,088.00
Strategic Planning and Funding	23070	Lone Star College-North Harris	Nursing Shortage Reduction Program	5/26/2020	39,492.00
Strategic Planning and Funding	23070	Odessa College	Nursing Shortage Reduction Program	5/26/2020	41,960.00
Strategic Planning and Funding	23005	Texas Christian University	Nursing Shortage Reduction Program	5/26/2020	42,386.00
Strategic Planning and Funding	23006	Texas Tech University Health Sciences Center	Nursing Shortage Reduction Program	5/26/2020	42,386.00
Strategic Planning and Funding	23000	Angelo State University	Nursing Shortage Reduction Program	3/18/2020	44,175.53
Strategic Planning and Funding	23071	Texas A&M University-Commerce	Nursing Shortage Reduction Program	5/26/2020	49,364.00
Strategic Planning and Funding	23070	San Jacinto College District	Nursing Shortage Reduction Program	5/26/2020	51,833.00
Strategic Planning and Funding	23070	Vernon College	Nursing Shortage Reduction Program	5/26/2020	51,833.00
Strategic Planning and Funding	23005	Angelina College	Nursing Shortage Reduction Program	5/26/2020	52,983.00
Strategic Planning and Funding	23006	University of Houston	Nursing Shortage Reduction Program	5/26/2020	52,983.00
Strategic Planning and Funding	23070	South Plains College	Nursing Shortage Reduction Program	5/26/2020	54,301.00
Strategic Planning and Funding	23070	Trinity Valley Community College	Nursing Shortage Reduction Program	5/26/2020	56,769.00

Contracts executed March 11, 2020 - June 8, 2020 and those not included in previous reports

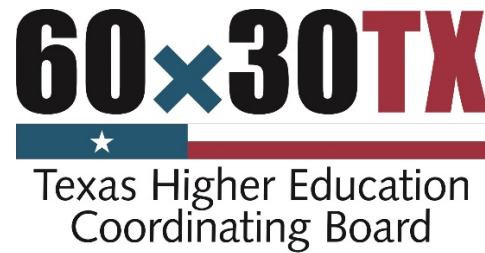
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AGENDA ITEM IV-A

Contracts Executed by the Agency in Accordance with Board Rule 1.16

4

Division	Contract#	Performing Agent	Description	Active Date	Total \$
Strategic Planning and Funding	23006	Stephen F. Austin State University	Nursing Shortage Reduction Program	5/26/2020	58,281.00
Strategic Planning and Funding	23006	The University of Texas Health Science Center at Houston	Nursing Shortage Reduction Program	5/26/2020	58,281.00
Strategic Planning and Funding	23070	Coastal Bend College	Nursing Shortage Reduction Program	5/26/2020	61,706.00
Strategic Planning and Funding	23070	Amarillo College	Nursing Shortage Reduction Program	5/26/2020	66,642.00
Strategic Planning and Funding	23070	College of the Mainland	Nursing Shortage Reduction Program	5/26/2020	66,642.00
Strategic Planning and Funding	23005	Howard College	Nursing Shortage Reduction Program	5/26/2020	68,878.00
Strategic Planning and Funding	23070	Southwestern Adventist University	Nursing Shortage Reduction Program	5/26/2020	69,110.00
Strategic Planning and Funding	23071	Prairie View A&M University	Nursing Shortage Reduction Program	5/26/2020	69,110.00
Strategic Planning and Funding	23005	Lone Star College- Kingwood	Nursing Shortage Reduction Program	5/26/2020	79,474.00
Strategic Planning and Funding	23006	Texas A&M University Corpus Christi	Nursing Shortage Reduction Program	5/26/2020	84,772.00
Strategic Planning and Funding	23006	The University of Texas Medical Branch at Galveston	Nursing Shortage Reduction Program	5/26/2020	84,772.00
Strategic Planning and Funding	23006	Texas A&M Health Science Center	Nursing Shortage Reduction Program	5/26/2020	90,071.00
Strategic Planning and Funding	22999	Northeast Texas Community College	Nursing Shortage Reduction Program	3/18/2020	92,367.02
Strategic Planning and Funding	23006	Texas Woman's University	Nursing Shortage Reduction Program	5/26/2020	95,369.00
Strategic Planning and Funding	23006	Texas Tech Univ Health SC - El Paso (774)	Nursing Shortage Reduction Program	5/26/2020	95,369.00
Strategic Planning and Funding	23005	Temple College	Nursing Shortage Reduction Program	5/26/2020	105,965.00
Strategic Planning and Funding	23005	Texas Lutheran University	Nursing Shortage Reduction Program	5/26/2020	116,562.00
Strategic Planning and Funding	23006	Tarleton State University	Nursing Shortage Reduction Program	5/26/2020	116,562.00
Strategic Planning and Funding	23005	Texas Southmost College	Nursing Shortage Reduction Program	5/26/2020	127,159.00
Strategic Planning and Funding	23071	The University of Texas at El Paso	Nursing Shortage Reduction Program	5/26/2020	143,157.00
Strategic Planning and Funding	23005	El Centro College	Nursing Shortage Reduction Program	5/26/2020	185,440.00
Strategic Planning and Funding	23005	Tarrant County College District	Nursing Shortage Reduction Program	5/26/2020	185,440.00
Strategic Planning and Funding	23006	University of Texas Rio Grande Valley	Nursing Shortage Reduction Program	5/26/2020	211,931.00
Strategic Planning and Funding	23070	North Central Texas Community College District	Nursing Shortage Reduction Program	5/26/2020	222,140.00
Strategic Planning and Funding	23070	Houston Baptist University	Nursing Shortage Reduction Program	5/26/2020	246,822.00
Strategic Planning and Funding	22999	Coastal Bend College	Nursing Shortage Reduction Program	3/18/2020	281,117.02
Strategic Planning and Funding	23000	Sam Houston State University	Nursing Shortage Reduction Program	3/18/2020	293,164.89
Strategic Planning and Funding	23070	Houston Community College System	Nursing Shortage Reduction Program	5/26/2020	296,187.00
Strategic Planning and Funding	23070	Ranger College	Nursing Shortage Reduction Program	5/26/2020	313,464.00
Strategic Planning and Funding	23005	University of St Thomas	Nursing Shortage Reduction Program	5/26/2020	349,686.00
Strategic Planning and Funding	23005	Del Mar College	Nursing Shortage Reduction Program	5/26/2020	418,564.00
Strategic Planning and Funding	23006	The University of Texas at Arlington	Nursing Shortage Reduction Program	5/26/2020	423,862.00
Strategic Planning and Funding	23005	Tyler Junior College	Nursing Shortage Reduction Program	5/26/2020	429,160.00
Strategic Planning and Funding	22999	Concordia University	Nursing Shortage Reduction Program	3/18/2020	714,840.43
Strategic Planning and Funding	23005	Concordia University	Nursing Shortage Reduction Program	5/26/2020	778,846.00
Strategic Planning and Funding	23037	Osborn Consulting Group LLC	Team Professional Development	4/13/2020	4,250.00
Strategic Planning and Funding	23031	Tim Henderson	Rider 28 study the effectiveness of the Nursing Shortage Reduction Program in addressing the shortage of professional nurses in the state	4/13/2020	13,200.00
					13,860,320.50



Texas Higher Education Coordinating Board

Contracts Executed by the Agency Over \$1 Million

March 11, 2020 - June 8, 2020

AGENDA ITEM IV-A

Contracts Executed by the Agency Over \$1 Million

Division	Contract#	Performing Agent	Description	Active Date	Total \$
Academic Quality and Workforce	22745	Texas Institute for Graduate Medical Education and Research	Graduate Medical Education Expansion Grants	4/28/2020	3,900,000.00
Academic Quality and Workforce	22747	Texas Institute for Graduate Medical Education and Research	Graduate Medical Education Expansion Grants	4/28/2020	3,600,000.00
Academic Quality and Workforce	22749	Texoma Medical Center	Graduate Medical Education Expansion Grants	4/14/2020	3,600,000.00
Academic Quality and Workforce	22750	The University of Texas Health Science Center at Tyler	Graduate Medical Education Expansion Grants	4/22/2020	3,600,000.00
Academic Quality and Workforce	22751	University of Texas Rio Grande Valley	Graduate Medical Education Expansion Grants	5/12/2020	3,450,000.00
Academic Quality and Workforce	22753	Texas Institute for Graduate Medical Education and Research	Graduate Medical Education Expansion Grants	4/21/2020	3,375,000.00
Academic Quality and Workforce	23010	Columbia Medical Center of Arlington	Graduate Medical Education Expansion Grants	4/28/2020	3,375,000.00
Academic Quality and Workforce	23011	Columbia Medical Center of Arlington	Graduate Medical Education Expansion Grants	4/28/2020	3,375,000.00
Academic Quality and Workforce	22874	Methodist Hospital of Houston	Graduate Medical Education Expansion Grants	4/22/2020	3,150,000.00
Academic Quality and Workforce	22761	HCA Gulf Coast Division Inc	Graduate Medical Education Expansion Grants	5/19/2020	2,925,000.00
Academic Quality and Workforce	22766	Scott & White Hospital- Round Rock	Graduate Medical Education Expansion Grants	4/21/2020	2,700,000.00
Academic Quality and Workforce	22767	Scott & White Hospital- Round Rock	Graduate Medical Education Expansion Grants	4/21/2020	2,700,000.00
Academic Quality and Workforce	22770	The University of Texas at Austin	Graduate Medical Education Expansion Grants	4/21/2020	2,700,000.00
Academic Quality and Workforce	22771	The University of Texas Health Science Center at San Antonio	Graduate Medical Education Expansion Grants	4/21/2020	2,700,000.00
Academic Quality and Workforce	22773	University of Texas Rio Grande Valley	Graduate Medical Education Expansion Grants	5/12/2020	2,700,000.00
Academic Quality and Workforce	22774	University of Texas Rio Grande Valley	Graduate Medical Education Expansion Grants	5/12/2020	2,700,000.00
Academic Quality and Workforce	22782	The University of Texas Southwestern Medical Center	Graduate Medical Education Expansion Grants	4/21/2020	2,400,000.00
Academic Quality and Workforce	22784	University of Texas Rio Grande Valley	Graduate Medical Education Expansion Grants	5/12/2020	2,250,000.00
Academic Quality and Workforce	22788	The University of Texas at Austin	Graduate Medical Education Expansion Grants	4/21/2020	2,100,000.00
Academic Quality and Workforce	22796	Texas Tech University Health Sciences Center	Graduate Medical Education Expansion Grants	4/21/2020	1,800,000.00
Academic Quality and Workforce	22797	The University of Texas Southwestern Medical Center	Graduate Medical Education Expansion Grants	4/21/2020	1,800,000.00
Academic Quality and Workforce	22799	Texas Tech University HSC at El Paso Paul L Foster School of Medicine	Graduate Medical Education Expansion Grants	4/21/2020	1,725,000.00
Academic Quality and Workforce	22801	The University of Texas at Austin	Graduate Medical Education Expansion Grants	4/21/2020	1,350,000.00
Academic Quality and Workforce	23012	Columbia Medical Center of Arlington	Graduate Medical Education Expansion Grants	4/28/2020	1,125,000.00
Academic Quality and Workforce	22813	Texas Tech University HSC at El Paso Paul L Foster School of Medicine	Graduate Medical Education Expansion Grants	4/21/2020	1,050,000.00
Academic Quality and Workforce	22948	Baylor College of Medicine	Texas Child Mental Health Care Consortium	3/19/2020	2,397,083.00
					68,547,083.00

Agency Operations Committee

AGENDA ITEM IV-B

Update on the FY2020 Key Security Initiatives Implementation Roadmap

RECOMMENDATION: No action required

Background Information:

The Information Solutions and Services (ISS) division is responsible for establishing and maintaining the enterprise vision, strategy, and program to ensure agency information assets and technologies are adequately protected.

To improve the maturity of the agency cybersecurity framework, ISS publishes a Key Security Initiatives Implementation Roadmap at the beginning of each fiscal year to share the overall vision and help secure resources and track progress.

During this presentation, the agency information security management team will brief the Board on the progress made on the FY2020 Key Security Initiatives Implementation Roadmap and discuss the next steps to improve the security posture of the agency.

Ms. Zhenzhen Sun, Assistant Commissioner for Information Solutions and Services/Chief Information Officer, and Mr. Peter Donton, Information Security Officer, will present this agenda item and be available to answer questions.

Agency Operations Committee

Agenda Item IV-C

Update on the Performance Evaluation Process for Direct Reports to the Commissioner of Higher Education

RECOMMENDATION: No action required

Background Information:

An update on the performance evaluation process for all staff who directly report to the Commissioner.

Harrison Keller, Commissioner of Higher Education, will present this item and be available to answer questions.

Agency Operations Committee

Agenda Item IV-D

Consideration of adopting amendments to the Board Operating Policies and Procedures

RECOMMENDATION: Approval

Background Information:

At the direction of the Agency Operations Committee in 2014, Texas Higher Education Coordinating Board staff developed the Board Operating Policies and Procedures document, which was adopted by the Board in October of that year. This document includes the Board members' code of conduct, conflict of interest/ethics, duties/responsibilities, and protocol in communicating with the media, elected officials, institutional representatives, and students.

Staff recommend:

- Changing the annual performance evaluation date for the Commissioner, Director of Internal Audit and Compliance, and General Counsel from October to July.
- Changing the requirement to meet in Executive Session to discuss the annual performance evaluations for the Commissioner, Director of Internal Audit and Compliance, and General Counsel from the October Agency Operations Committee meeting to the July Board meeting.
- Adding Legislative Agenda to the responsibilities of the Agency Operations Committee.
- Changing the name of the Committee on Affordability, Accountability and Planning to the Committee on Innovation, Data, and Educational Analytics (IDEA), as approved by the Board at the April Board meeting.
- Removing Legislative Agenda from the responsibilities of the Committee on Innovation, Data, and Educational Analytics.

Recommended changes are noted in red in the attached document (pages 10, 11, & 14).

Rey Rodriguez, Deputy Commissioner and Chief of Staff, will be available to answer questions.

Agency Operations Committee

AGENDA ITEM V-A

Review of the Fiscal Year 2020 Financial Report to the Board

RECOMMENDATION: No action required

Background Information:

During each quarterly Committee meeting, the Finance Department provides a financial report summarizing the agency's fiscal-year-to-date budgetary and financial activities. This is a financial management report that is developed for both agency and Board use. Staff may revise this report periodically to present the most relevant information.

Key points:

- This report reflects data through the second quarter of Fiscal Year (FY) 2020.
 - September 2019 through May 2020.
- The report is distributed to agency executive management on a monthly basis.
- Report overview:
 - Budget adjustments are primarily related to the carrying forward of unexpended balances (UB) from FY19 into FY20.
 - College Access Loan volume is 8% lower from last year's demand.
 - A bond sale was completed July 2020 to fund new loans for the 2020/21 academic year and refinancing the 2010 series bonds. The refinancing of the 2010 series saved \$26 million in cash flow due to lower debt cost over the next 14 years.
 - Many programs require various levels of contract approval. Therefore, encumbrances or expenditures for some programs may occur later in the fiscal year.
 - This report does not reflect the mandated budget reductions that all agencies and institutions of higher education reduce their biennial appropriations by 5%.
 - Application volume for the Math and Science Scholar Loan Repayment Program are trending well below funding levels.
 - The final loan disbursements for the B-On-Time (BOT) loan program will be in this fiscal year. BOT loan demand for renewal students is also trending below the amounts appropriated for both public and private institutions.
 - The Graduate Medical Education (GME) Expansion program is projected to receive \$11.8 million from the GME permanent fund to fund additional residency positions. This is \$800 thousand higher than originally appropriated.

Ken Martin, Assistant Commissioner for Financial Services/CFO, will present this item to the Committee and be available to answer any questions.

Agency Operations Committee

AGENDA ITEM VI-A

Discussion of the Audit of the Agency-wide Financial Statements for fiscal year ended August 31, 2019 by KPMG, LLP

RECOMMENDATION: No action required.

Background Information:

The Board originally contracted with KPMG, LLP to conduct the agency-wide financial statement audit for fiscal year ended August 31, 2016, with renewal options for four, one-year terms. The current contract to conduct an agency-wide financial statement audit for fiscal year ended August 31, 2019 was executed with KPMG for a fixed fee of \$199,200.

KPMG, LLP has conducted the agency-wide financial statement audit for fiscal year ended August 31, 2019. The auditors rendered an unqualified or "clean" opinion on the financial statements, noting no reportable material weaknesses nor significant deficiencies during the audit.

Copies of the auditor's reports will be made available at the meeting. Representatives from KPMG will present the report to the Committee.

Agency Operations Committee

AGENDA ITEM VI-B

Consideration of adopting the Commissioner's recommendation to the Committee regarding the approval to: (1) issue a Request for Qualifications to conduct the audit of the Agency-wide Financial Statements for fiscal year ended August 31, 2020; and (2) enter into a contract with the selected auditing firm, subject to the approval of the Board Chair, Vice Chair, and Chair of the Committee on Agency Operations, with options to renew the contract for up to three additional years

RECOMMENDATION: Approval

Background Information:

In January 2015, the Board approved a request to issue a Request for Qualifications (RFQ) for an external audit of the Fiscal Year 2015 agency-wide financial statements, and to enter into a contract with the selected firm, subject to approval of the Board Chair, Vice Chair, and Chair of the Committee on Agency Operations. In September 2015, the Board approved a one-year contract with KPMG, LLP, with an option to renew the contract for four additional years. KPMG, LLP conducted the agency-wide financial statement audits for the fiscal years ended August 31, 2015 through 2019. The reports have been presented to the Board accordingly. The contract with KPMG, LLP will expire once the financial statement audit for the fiscal year ended August 31, 2019 is completed and presented to the Board in July 2020.

Contract performance is ultimately contingent upon receiving the delegation of authority to contract for external audit services from the Texas State Auditor's Office, pursuant to Texas Government Code, Section 321.020.

Mark Poehl, Assistant Commissioner, Internal Audit and Compliance, and Paul Maeyaert, Assistant Director, Internal Audit and Compliance, will present this item to the Committee and be available to answer any questions.

Agency Operations Committee

AGENDA ITEM VI-C

Consideration of adopting the Commissioner's recommendation to the Committee relating to the Annual Internal Audit Plan for Fiscal Year 2021

RECOMMENDATION: Approval

Background Information:

In accordance with the Texas Internal Auditing Act, for the Committee's consideration and approval, the Internal Audit function has developed the Risk-Based Internal Audit Plan for Fiscal Year 2021 using risk assessment techniques as required. The Risk-Based Internal Audit Plan for Fiscal Year 2021 presents the individual audits to be performed in Fiscal Year 2021.

Specific risk factors were considered as they apply to the agency's significant operational activities. These risk factors included:

- Financial significance
- Reputational significance and visibility
- Complexity, inherent risk, and the potential for abuse
- Prior audit and compliance monitoring results as an indicator of control effectiveness
- Audit recency – internal audit, compliance monitoring (as applicable), KPMG, SAO, and/or federal auditors
- Changes in mission or key management

A risk-ranked listing of significant operational activities became the basis for the audits proposed for consideration herein.

The Fiscal Year 2021 Internal Audit Plan is attached. Mark Poehl, Assistant Commissioner, Internal Audit and Compliance, will present this item to the Committee and be available to answer any questions.

TEXAS HIGHER EDUCATION COORDINATING BOARD

INTERNAL AUDIT & COMPLIANCE MONITORING

Internal Audit Plan

Fiscal Year 2021

The Texas Internal Auditing Act requires state agency Internal Auditors to conduct a program of auditing that includes an annual audit plan, is prepared using risk assessment techniques, and identifies the individual audits to be conducted during the year. The following proposed plan meets the requirements of the Texas Internal Auditing Act.

Specific risk factors were considered as they apply to the agency's significant operational activities. These risk factors included:

- Financial significance
- Reputational significance and visibility
- Complexity; inherent risk; and the potential for abuse
- Prior audit and compliance monitoring results as an indicator of control effectiveness
- Audit recency – internal audit, compliance monitoring (as applicable), KPMG, SAO, and/or Federal auditors
- Changes in mission or key management

A risk-ranked listing of significant operational activities became the basis for the audits proposed for consideration herein.

A. Required Audits

	<u>Estimated Hours Required</u>
1. Follow Up of Prior Audits <i>Assess the implementation status of previously reported internal audit findings in the areas of Scholarship Programs, Selected Security Awareness Practices, GME Expansion, Human Resources, and Contract Management.</i>	460
2. Self-Assessment of Work Quality, Internal Audit <i>Perform a self-assessment of internal audit work quality, in accordance with the requirements of professional auditing standards.</i>	130
3. Investigations <i>Texas Government Code Chapter 321.022, Coordination of Investigations, requires the coordination of investigations between the agency and the Texas State Auditor's Office. If the administrative head of an agency that is subject to audit by the state auditor has reasonable cause to believe that money received from the state by the agency or by a client/department of the agency may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the agency, the administrative head shall report the reason and basis for the belief to the state auditor. The state auditor may investigate the report</i>	330

or may monitor any investigation conducted by the agency.

- | | | |
|----|---|-----|
| 4. | Provide Assistance-External Audit of Agency Financial Statements
<i>Internal Audit provides 50 hours of audit support to reduce external audit fees and to increase the level of knowledge of external auditors' assessment of the agency's financial statements and associated risks.</i> | 50 |
| 5. | Ongoing Status Assessment of Corrective Action Plan Implementation to Address AT&T Cybersecurity Assessment Report
<i>Perform an ongoing status assessment to assess the implementation status of the corrective action plan prepared to address recommendations from the 2019 AT&T Cybersecurity Assessment Report.</i> | 470 |

B. Risk-Based Audits

- | | | |
|----|---|-----|
| 6. | Audit of Borrower Services
<i>Audit the internal administrative activities of Borrower Services to ensure loan processes are managed and controlled for compliance, effectiveness and efficiency. Borrower Services manages a loan portfolio with a current loan balance of \$1.8 billion.</i> | 650 |
| 7. | Audit of Formula Funding (Health Related Institutions)
<i>Audit of internal administrative activities associated with formula funding for the health related institutions. The appropriation for FY 2019 was \$471 million.</i> | 520 |
| 8. | Review of Selected Grant Programs Administered by College Readiness and Success
<i>Review the internal administrative activities of College Readiness and Success for selected grant programs for compliance, effectiveness and efficiency. College Readiness and Success grant program appropriations for FY 2019 were approximately \$9.4 million.</i> | 538 |
| 9. | Audit of Contract Management Administration
<i>Audit of agency contract administration processes for compliance with laws, regulations, policies, and procedures.</i> | 460 |

AGENDA ITEM VI-C

Audit Coverage--7 Year History *(Sorted on Magnitude)*

TRUSTEED PROGRAMS (in RED font)

Sorted by Magnitude

	External Audit
	Internal Audit

Responsible Division	Program Name	\$ \$ Magnitude 2019 (Agency Operating Budget)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 (Performed or Planned)
SPF	Formula Funding/10 Pay	\$4,317,141,841								
Borrower Services	Hinson-Hazelwood College Access Loan (CAL) Program	\$1,447,000,000								
SFAP	Toward EXcellence, Access, and Success (TEXAS) Grant Program	\$393,229,872								
Fin Services	Bonds	\$120,158,000								
SFAP	Tuition Equalization Grant (TEG) Program	\$85,905,147								
AQW	GME Expansion	\$48,525,000								
SFAP	Texas Educational Opportunity Grant (TEOG) Program	\$47,996,151								
SPF	Baylor College of Medicine- UGME	\$37,599,919								
AQW	Perkins	\$27,434,257								
AQW	National Research University Fund (NRUF) - HB51	\$23,000,000								
Borrower Services	Texas B-On-Time Loan Program (BOT)	\$21,632,508								
Fin Services	Payroll & Fringe	\$18,305,144								
SPF	Texas Research Incentive Program (TRIP) HB1	\$17,500,000								
Borrower Services	Physician Education Loan Repayment Program	\$12,675,000								
AQW	Joint Admission Medical Program	\$10,206,794								
SPF	Nursing Shortage Reduction Program	\$9,890,048								
SFAP	Texas College Work-Study Program	\$9,404,639								
AQW	Tobacco Grant Programs (MHGP) & (NAHGP)	\$9,392,664								
SPF	Baylor College of Medicine- GME	\$7,710,499								
AQW	Family Practice Residency Program	\$5,000,000								
Borrower Services	Federal Family Education Loan Program (FFELP)	\$4,830,000								
AQW	Autism	\$3,900,000								
CRS	Workstudy Mentorship Program	\$2,750,000								
AQW	NE TX Initiative and T63	\$2,500,000								

AGENDA ITEM VI-C

Responsible Division	Program Name	\$\$ Magnitude 2019 (Agency Operating Budget)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 (Performed or Planned)
CRS	College Readiness and Initiative	\$2,490,364								
AQW	Emergency and Trauma Care Partnership Program	\$2,125,000								
CRS	Advise Texas	\$2,000,000								
SPF	Baylor Coll Med Perm Health Fund	\$1,914,193								
AQW	Preceptorship Program	\$1,500,000								
Borrower Services	Nursing Faculty LRP	\$1,500,000								
Comm Office	Responsible Division	\$1,452,108								
SPF	Baylor Coll Med Perm Endowment Fund	\$1,425,000								
Borrower Services	Teach for Texas Loan Repayment Program	\$1,337,500								
Borrower Services	Texas Armed Services Scholarship Program (TASSP)	\$1,335,000								
CRS	Developmental Educ Programs	\$1,325,000								
Borrower Services	Math and Science LRP	\$1,287,500								
Borrower Services	Mental Health Professionals Loan Repayment Program	\$1,062,500								
Fin Services	Inventory	\$989,641								
CRS	Apply Texas	\$882,841								
Comm Office	Office of General Counsel	\$809,303								
SFAP	Bilingual Aid Program	\$750,000								
Comm Office	Dep Comm-Acad Plan &Policy/CAO	\$636,437								
Comm Office	Human Resources	\$548,916								
SFAP	Educational Aide Program	\$500,000								
Comm Office	Internal Audit	\$498,922								
Comm Office	External Relations	\$415,702								
Comm Office	Compliance Monitoring	\$328,931								
Comm Office	Dep Comm-Ops & Communicati/COO	\$326,551								
Comm Office	Office of the Commissioner	\$303,899								
Fin Services	Travel	\$273,537								
SFAP	Collegiate License Plate Insignia Program	\$247,400								
SFAP	Top 10% Scholarship Program	\$223,048								
Gen Counsel	Procurement/Purchasing Card	\$74,960								
AQW	Academic and Workforce Programming	N/A								
AQW	Office of Civil Rights (OCR) Compliance Monitoring & Oversight (Facilities Site Visits)	N/A								
AQW	Distance Education-Off Campus	N/A								

AGENDA ITEM VI-C

Responsible Division	Program Name	\$\$ Magnitude 2019 (Agency Operating Budget)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 (Performed or Planned)
AQW	Core Curriculum & Transfer Curriculum	N/A								
AQW	Proprietary Institutions Governance & Oversight	N/A								
Borrower Services	Health Education Loan Program	N/A								
Borrower Services	Health Education Assistance Loan Program	N/A								
Comm Office	Office of General Counsel	N/A								
Fin Services	Risk and Safety Management	N/A								
Fin Services	Cash Receipts/Revenue	N/A								
Fin Services	Accounting and Financial Reporting	N/A								
Fin Services	Accounts Payable/Disbursements	N/A								
Fin Services	Budgeting	N/A								
Gen Counsel	Contract Management	N/A								
Hum Resource	Staff Development and Training	N/A								
Hum Resource	Retention	N/A								
Hum Resource	Employment and Hiring	N/A								
Hum Resource	Personnel File Management	N/A								
Hum Resource	Classification	N/A								
Hum Resource	Optional Retirement Plan (ORP)	N/A								
Hum Resource	Employee Relations (Disciplinary action, Sexual Harrasment..)	N/A								
Hum Resource	Personnel Policies (Leave, Time, Attendance)	N/A								
Info Sol & Svcs	Privacy and Confidentiality	N/A								
Info Sol & Svcs	Data Classification	N/A								
Info Sol & Svcs	Critical Information Asset inventory	N/A								
Info Sol & Svcs	Enterprise Security Policy, Standards and Guidelines	N/A								
Info Sol & Svcs	Control Oversight and Safeguard Assurance	N/A								
Info Sol & Svcs	Information Security Risk Management	N/A								
Info Sol & Svcs	Security Oversight and Governance	N/A								
Info Sol & Svcs	Security Compliance and Regulatory Requirements Management	N/A								
Info Sol & Svcs	Cloud Usage and Security	N/A								
Info Sol & Svcs	Security Assessment and Authorization/Technology Risk Assessments	N/A								
Info Sol & Svcs	External Vendors and Third Party Vendors	N/A								

AGENDA ITEM VI-C

Responsible Division	Program Name	\$\$ Magnitude 2019 (Agency Operating Budget)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 (Performed or Planned)
Info Sol & Svcs	Enterprise Architecture, Roadmap & Emerging Technology	N/A								
Info Sol & Svcs	Secure System Services, Acquisition and Development	N/A								
Info Sol & Svcs	Security Awareness and Training	N/A								
Info Sol & Svcs	Privacy Awareness and Training	N/A								
Info Sol & Svcs	Cryptography	N/A								
Info Sol & Svcs	Secure Configuration Management	N/A								
Info Sol & Svcs	Change Management	N/A								
Info Sol & Svcs	Contingency Planning	N/A								
Info Sol & Svcs	Media	N/A								
Info Sol & Svcs	Physical Environmental Protection	N/A								
Info Sol & Svcs	Personnel Security	N/A								
Info Sol & Svcs	Third-Party Personnel Security	N/A								
Info Sol & Svcs	System Configuration Hardening and Patch Management	N/A								

AGENDA ITEM VI-C

Responsible Division	Program Name	\$\$ Magnitude 2019 (Agency Operating Budget)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 (Performed or Planned)
Info Sol & Svcs	Access Control	N/A								
Info Sol & Svcs	Account Management	N/A								
Info Sol & Svcs	Security Systems Management	N/A								
Info Sol & Svcs	Network Access and Perimeter Controls	N/A								
Info Sol & Svcs	Internet Content Filtering	N/A								
Info Sol & Svcs	Data Loss Prevention	N/A								
Info Sol & Svcs	Identification and Authentication	N/A								
Info Sol & Svcs	Spam Filtering	N/A								
Info Sol & Svcs	Portable and Remote Computing	N/A								
Info Sol & Svcs	System Communication Protection	N/A								
Info Sol & Svcs	Malware Protection	N/A								
Info Sol & Svcs	Vulnerability Assessment	N/A								
Info Sol & Svcs	Security Monitoring and Event Analysis	N/A								
Info Sol & Svcs	Cyber-Security Incident Response	N/A								
Info Sol & Svcs	Privacy Incident Response	N/A								
Info Sol & Svcs	Disaster Recovery Procedures	N/A								
SFAP	Good Neighborhood Scholarship	N/A								
SPF	Educational Data Center (EDC)/CBM Data Reports	N/A								
SPF	Accountability System	N/A								
SPF	Performance Measures	N/A								
SPF	Almanac	N/A								
SPF	Education Research Center (ERC)	N/A								

Agency Operations Committee

AGENDA ITEM VI-D

Update on Internal Audit Reports and Activities

RECOMMENDATION: No Action Required

Background Information:

The Internal Audit team completed one project during the reporting period since the January 2020 Agency Operations Committee meeting. The final report is attached.

Internal Audit Engagement Completed

- *Internal Self-Assessment* – This final report is a self-assessment of work quality for the agency's Internal Audit area. Professional auditing standards require that we periodically perform a look back at a project or area of our operations to ensure that our processes are consistent and documented. The attached report had no findings and covered a prior engagement that concluded during Fiscal Year 2019.

Internal Audit Projects in Progress	Stage of Project
Review of Bonds Program	Reporting
Information Security Policy Compliance	Planning
Information Security (AT&T & NTT)	Planning
Follow-up Reviews for 6 prior projects	Planning
Review of Human Resources Policy Compliance	Planning
Review of Contract Management Administration	Planning

Other Internal Audit Activities

- 2021 Assessment and 2021 Audit Plan
- Coordination of External Audit(s)
 - KPMG Financial Statement Audit
 - SAO Audit – TEXAS Grants and Contract Management

The final report is attached. Mark Poehl, Assistant Commissioner, Internal Audit and Compliance, and Paul Maeyaert, Assistant Director, Internal Audit and Compliance, will present this item to the Committee and be available to answer any questions.



TEXAS HIGHER EDUCATION COORDINATING BOARD

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May 7, 2020

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Dr. Harrison Keller
Commissioner of Higher Education
1200 E. Anderson Lane
Austin, TX 78752

Dear Dr. Keller:

We performed an assessment of internal audit work quality to satisfy the requirements of professional auditing standards. It is our opinion that the Internal Audit Office *generally conforms* to the Institute of Internal Auditors (IIA) *International Standards for the Professional Practice of Internal Auditing*. These standards require:

- 1300 – Quality Assurance/Improvement Program
1311—Internal Assessments
 - Periodic reviews performed through self-assessment or by other persons within the organization with sufficient knowledge of internal audit practices.

Our self-assessment of internal audit work quality was based on an evaluation of the audit project *An Internal Audit of the Physician Education Loan Repayment Program at the Texas Higher Education Coordinating Board, THECB-IA-WP-18-204*, issued in September 2018. We conducted our review using the self-assessment tool outlined by the *State Agency Internal Audit Forum* in their Peer Review Process Manual.

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
Assistant Commissioner,
Internal Audit and Compliance

PERFORMED BY:

Aporajita Ahmed, CPA, CFE, CITP, CGMA, CICA, Cyber Security Professional,
Internal Audit Lead

CC:

THECB

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Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Mr. William Franz, General Counsel

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Agency Operations Committee

AGENDA ITEM VII-A

Consideration of adopting the Commissioner's recommendation to the Committee relating to the Annual Compliance Monitoring Plan for Fiscal Year 2021

RECOMMENDATION: Approval

Background Information:

For the Committee's consideration and approval, and in accordance with Texas Education Code, Section 61.035, Internal Auditor and Compliance Monitoring, the Compliance Monitoring function has developed the risk-based Compliance Monitoring Plan for Fiscal Year 2021. The risk-based Compliance Monitoring Plan for Fiscal Year 2021 presents the individual engagements to be performed.

Specific risk factors were considered as they apply to the agency's significant operational activities. These risk factors include:

- Financial significance
- Reputational significance and visibility
- Complexity, inherent risk, and the potential for abuse
- Prior review results as an indicator of control effectiveness
- Recent reviews and audits – compliance monitoring, internal audit, KPMG, SAO, and/or Federal reviewers
- Changes in mission or key management

A risk-ranked listing of significant operational activities became the basis for the reviews proposed for consideration herein.

The Fiscal Year 2021 Compliance Monitoring Plan is attached. Mark Poehl, Assistant Commissioner, Internal Audit and Compliance, will present this item to the Committee and be available to answer any questions.

TEXAS HIGHER EDUCATION COORDINATING BOARD
INTERNAL AUDIT & COMPLIANCE MONITORING

Compliance Monitoring Plan

Fiscal Year 2021

Specific risk factors from Texas Education Code §61.035 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	2,640	50%

Perform reviews of contact hours at public community/junior colleges and formula funding reviews at other public institutions of higher education. Formula funding for institutions of higher education totals approximately \$4.6 billion annually.

Public Universities – Five institutions, based on risk assessment

Desk Reviews

Prairie View A&M University
 Sul Ross State University
 University of North Texas at Dallas
 The University of Houston – Clear Lake
 West Texas A&M University

Public Community/Junior Colleges – Seven institutions, based on risk assessment

Desk Reviews

Lee College
 Paris Junior College
 Odessa College
 Alvin College
 Southwest Texas Junior College
 Galveston College
 Frank Philips College

Public State College – One institution, based on risk assessment

Desk Reviews

Lamar Institute of Technology

Risk-Based Reviews

2. Financial Assistance Compliance at Institutions of Higher Education

Hours

2,640

%

50%

Perform compliance reviews of student financial assistance or grant programs at public community/junior colleges or other public/private institutions of higher education. Financial assistance disbursed to colleges and universities in Texas totals approximately \$873 million annually.

Public Universities – Four institutions, based on risk assessment**Desk Review**

The University of Texas at Dallas

Lamar University

The University of Houston - Victoria

Texas A&M University - Galveston

Public Community/Junior Colleges – Six institutions, based on risk assessment**Desk Review**

El Paso Community College

Collin County Community College

Navarro College

Texarkana College

Panola College

Hill College

Private Universities – Two institutions, based on risk assessment**Desk Review**

Dallas Baptist University

Schreiner University

Public Health Related Institutions – One institution, based on risk assessment**Desk Review**

The University of Texas Health Science Center – San Antonio

TOTAL RISK-BASED REVIEWS**5,280****100%****Completion of FY20 Risk-Based Reviews****Hours****%**

1. Formula Funding at Institutions of Higher Education

Two institutions

400

67%

2. Financial Assistance Compliance at Institutions of Higher Education

One institution

200

33%

TOTAL COMPLETION of FY20 REVIEWS**600****100%****Follow-Up Reviews****Hours****%**

3. Formula Funding at Institutions of Higher Education

Four institutions

500

100%

TOTAL FOLLOW-UP REVIEWS**500****100%**

4. Sexual Misconduct State Reporting at Institutions of Higher Education	600	100%
Perform compliance review of Senate Bill 212, and House Bill 1735 (86 th Legislature) reporting at institutions of higher education.		
TOTAL REVIEWS	600	100%

Agency Operations Committee

AGENDA ITEM VII-B

Update on Compliance Monitoring Reports and Activities

RECOMMENDATION: No Action Required

Background Information:

The Compliance Monitoring team completed 12 projects during the reporting period since the April 2020 Agency Operations Committee meeting. The final reports are attached.

Formula Funding Engagements Completed

- A Compliance Monitoring Audit at Dallas County Community College (no findings)
- A Compliance Monitoring Desk Review at Amarillo College (no findings)
- A Compliance Monitoring Desk Review at Angelo State University (no findings)
- A Compliance Monitoring Desk Review at Cisco College (no findings)
- A Compliance Monitoring Desk Review at College of the Mainland (no findings)
- A Compliance Monitoring Desk Review at Temple College (1 finding)

Financial Assistance Engagements Completed

- A Compliance Monitoring Audit of TEXAS Grant at University of North Texas (no findings)
- A Compliance Monitoring Desk Review of Texas Educational Opportunity Grant (TEOG) at Austin Community College (no findings)
- A Compliance Monitoring Desk Review of TEOG at Tarrant County College (no findings)
- A Compliance Monitoring Desk Review of TEXAS Grant at Texas Woman's University (no findings)
- A Compliance Monitoring Desk Review of Tuition Equalization Grant (TEG) at Texas College (no findings)
- A Compliance Monitoring Desk Review of TEOG at Central Texas College (no findings)

Projects in Progress	Stage of Project
University of Texas at Austin (FF)	Fieldwork
Huston-Tillotson University (TEG)	Fieldwork
University of Texas at Tyler (FF)	Fieldwork
Texas Tech University Health Sciences Center (GME)	Planning
Texas State University - San Marcos (TEXAS Grant)	Planning
Kilgore College (FF)	Planning
Baylor University (CAL)	Planning

Other Compliance Monitoring Activities

- Modified scheduled Site Visits to Desk Reviews due to COVID-19
- 2021 Risk Assessment and 2021 Audit Plan development
- Working with Texas Southern University regarding admissions irregularities

The final reports are attached. Mark Poehl, Assistant Commissioner, Internal Audit and Compliance, and Paul Maeyaert, Assistant Director, Internal Audit and Compliance, will present this item to the Committee and be available to answer any questions.



TEXAS HIGHER EDUCATION COORDINATING BOARD

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April 9, 2020

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Dr. Joe May, Chancellor
Dallas County Community College District
1601 S. Lamar Street
Dallas, Texas 75215

Dear Dr. May,

I am attaching the final report on *A Compliance Monitoring Audit of Formula Funding at Dallas County Community College District - Cedar Valley College*, Report No. THECB-CM-FF-20-015. 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, on July 22, 2020 2020.

If you have any questions or comments, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Paul Maeyaert".

Paul Maeyaert, JD, MBA, CIA, CGAP, CFE
Assistant Director, Internal Audit and Compliance

EXECUTIVE SUMMARY

Dallas County Community College District - Cedar Valley College complied with relevant Coordinating Board (THECB) rules and regulations for enrollment data used for formula funding and with Texas Education Code Section 61.

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 a 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.

Our consideration of internal control was for the compliance purposes described in the scope section and was not designed to identify all deficiencies in internal control.

We reviewed the following areas:

Reported Semester Credit Hours were Eligible for Formula Funding

No reportable findings were noted.

Student Tuition Payment was Received in Accordance with Requirements

No reportable findings were noted.

Reported Enrollment was Eligible for Formula Funding

No reportable findings were noted.

Instructors of Record met Applicable Requirements

No reportable findings were noted.

Audit Scope, Objective, and Methodology

Our audit included tests of enrollment data reported and certified by Dallas County Community College District - Cedar Valley College. Our audit focused on the following enrollment data and time periods:

- CBM001 (Student Report) – Summer semester 2018, Fall semester 2018, Spring semester 2019;
- CBM004 (Class Report) – Summer semester 2018, Fall semester 2018, Spring semester 2019; and
- CBM00C (Continuing Education Class Report) – Summer semester 2018, Fall semester 2018, Spring semester 2019.

Our work included procedures to verify:

- Reported semester credit hours were eligible for formula funding;
- Student tuition payment was received in accordance with requirements;
- Reported enrollment was eligible for formula funding; and
- Evidence of academic credentials were maintained to support required instructor qualifications.

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. THECB used random sampling to determine the extent to which Dallas County Community College District - Cedar Valley College accurately reported semester credit hour data.

Background

Fifty public community college districts receive state appropriations based on their student enrollment data. These institutions are governed by locally elected boards that have the authority to levy property taxes in their districts. The state appropriations the colleges receive are used to fund administrative and instructional (education and general) services for post-secondary academic and vocational/technical education.

State financing of higher education programs for public community colleges is provided from the State's General Revenue Fund. The THECB and the Comptroller of Public Accounts distributes these appropriations to colleges based on allocations and performance measures. Each college submits enrollment reports (CBM Reports) to the THECB to document the number of contact hours taught by the college in each semester. The formula for state funding involves multiplying the base period contact hours submitted by colleges by the applicable funding rates.

PERFORMED BY:

Ms. Carol Conner, CFE, Compliance Specialist

CC:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education

Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Ms. Lori Fey, Deputy Commissioner, Data Analytics and Innovation

Mr. William Franz, General Counsel

Strategic Planning and Funding

Dr. Julie Eklund, Assistant Commissioner

Dallas County Community College District - Cedar Valley College

Ms. Diana Flores, Chair, District #6, Board of Trustees

Dr. Joseph Seabrooks, President, Cedar Valley College

Mr. Giles Hawkins, Executive Director, Systemic Reporting and Analytics

Texas Association of Community Colleges

Mr. Jacob Fraire, President and Chief Executive Officer

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Dr. Russell Lowery-Hart, President
Amarillo College
2211 South Washington Street
Amarillo, TX 79109

RE: A Compliance Monitoring Desk Review of Formula Funding at Amarillo College

Dear Dr. Lowery-Hart:

Amarillo College complied with relevant Coordinating Board rules and regulations for enrollment data used for formula funding and with Texas Administrative Code (TAC) Title 19, Part 1, Chapter 13, in the areas of contact hours eligibility, tuition payments, and enrollments.

Summary

Our review included tests of relevant enrollment data reported and certified by Amarillo College for accuracy and completeness in accordance with TAC, Chapter 13. Our desk review focused on the following enrollment data and time periods:

- Semester Credit Hours and Tuition Payment for CBM001 (Student Report) during summer 2018, fall 2018, and spring 2019;
- Contact Hours and Enrollment for CBM004 (Class Report) during summer 2018, fall 2018, and spring 2019; and
- Contact Hours and Enrollment for CBM00C (Continuing Education Class Report) during summer 2018, fall 2018, and spring 2019.

Our work included procedures to verify:

- Student tuition payment was received in accordance with requirements;
- Reported contact hours were eligible for formula funding; and
- Reported enrollment was eligible for formula funding.

This Compliance Monitoring report will be presented to the Texas Higher Education Coordinating Board (THECB) Committee on Agency Operations, a standing committee of the THECB Board, in July 2020.

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

PERFORMED BY:

Ms. Elizabeth M Steele, Compliance Specialist

Cc:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education

Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Ms. Lori Fey, Deputy Commissioner, Data Analytics and Innovation

Mr. William Franz, General Counsel

Strategic Planning and Funding

Dr. Julie Eklund, Assistant Commissioner

Amarillo College

Dr. Paul L. Proffer, Chair – Board of Regents

Mr. Robert Austin, Vice President of Enrollment

Dr. Tamara Clunis, Vice President of Academic Affairs

Mr. Chris Sharp, Vice President of Business Affairs

Mr. Shane Hepler, Chief Information Officer

Ms. Cheryl Jones, Vice President of Human Resources

Ms. Kristin McDonald-Willey, Registrar

Texas Association of Community Colleges

Mr. Jacob Fraire, President

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Mr. Christopher Mattsson, Assistant Director



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May 18, 2020

Ms. Angie Wright, Interim President
Angelo State University
2601 W. Avenue N.
San Angelo, Texas 76909

RE: A Compliance Monitoring Desk Review of Formula Funding at Angelo State University

Dear Ms. Wright,

Angelo State University complied with relevant Coordinating Board rules and regulations for enrollment data used for formula funding and with Texas Administrative Code (TAC) Title 19, Section 13.100, in the areas of student semester credit hour eligibility, tuition payment, and enrollment.

Summary

Our review included tests of relevant enrollment data reported and certified by Angelo State University for accuracy and completeness in accordance with TAC, Section 13. Our desk review focused on the following enrollment data and time periods:

- Semester Credit Hours and Tuition Payments for CBM001 (Student Report) during summer 2018, fall 2018, and spring 2019; and
- Enrollment for CBM004 (Class Report) during summer 2018, fall 2018, and spring 2019.

Our work included procedures to verify:

- Reported semester credit hours were eligible for formula funding;
- Student tuition payments were received in accordance with requirements; and
- Reported enrollment was eligible for formula funding.

The cooperation of your staff during this review is greatly appreciated. If you have any questions or comments on the conduct of this review, 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

PERFORMED BY:

Ms. Jamyen Robinson-Hall, Compliance Specialist

CC:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education

Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Ms. Lori Fey, Deputy Commissioner, Data Analytics and Innovation

Mr. William Franz, General Counsel

Strategic Planning and Funding

Dr. Julie Eklund, Assistant Commissioner

Angelo State University

Dr. Donald Topliff, Provost & Vice President for Academic Affairs

Ms. Rosalinda R. Castro, Director of Registrar Services

Ms. Emily Knopp, Audit Director

Texas Tech University System

Mr. Christopher M. Huckabee, Chairman, Board of Regents

Dr. Tedd L. Mitchell, Chancellor

Ms. Kim Turner, Chief Audit Executive

Texas Council of Public University Presidents and Chancellors

Dr. Rissa McGuire, Executive Director

State Auditor's Office

Internal Audit Coordinator

Sunset Advisory Commission

Ms. Jennifer Jones, Director

Office of the Governor-Budget and Policy Division

Ms. Sarah Hicks, Budget and Policy Director

Legislative Budget Board

Mr. Christopher Mattsson, Assistant Director



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Dr. Thad Anglin, President
Cisco College
101 College Heights
Cisco, Texas 76437

RE: Desk Review of Formula Funding at Cisco College

Dear Dr. Anglin,

Cisco College complied with relevant Coordinating Board rules and regulations for enrollment data used for formula funding and with Texas Administrative Code (TAC) Title 19, Part 1, Chapter 13, in the areas of contact hour eligibility, tuition payments, and enrollment.

Summary

Our review included tests of relevant enrollment data reported and certified by Cisco College for accuracy and completeness in accordance with TAC, Chapter 13. Our desk review focused on the following enrollment data and time periods:

- Semester Credit Hours and Tuition Payments for CBM001 (Student Report) during summer 2018, fall 2018, and spring 2019;
- Contact Hours and Enrollment for CBM004 (Class Report) during summer 2018, fall 2018, and spring 2019; and
- Contact Hours and Enrollment for CBM00C (Continuing Education Class Report) during summer 2018, fall 2018, and spring 2019.

Our work included procedures to verify:

- Student tuition payments were received in accordance with requirements;
- Reported contact hours were eligible for formula funding; and
- Reported enrollment was eligible for formula funding.

This Compliance Monitoring report will be presented to the Texas Higher Education Coordinating (THECB) Committee on Agency Operations, a standing committee of the THECB Board, on July 22, 2020.

The cooperation of your staff during this review is greatly appreciated. If you have any questions or comments on the conduct of this review, 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

PERFORMED BY:

Ms. Jamyen Robinson-Hall, Compliance Specialist

CC:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education

Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Ms. Lori Fey, Deputy Commissioner, Data Analytics and Innovation

Mr. William Franz, General Counsel

Strategic Planning and Funding

Dr. Julie Eklund, Assistant Commissioner

Cisco College

Mr. Brad Kimbrough, President, Board of Regents

Ms. Shirley Dove, Director of Enrollment Services and Registrar

Dr. Jerry Dodson, Vice President of Student Services

Texas Association of Community Colleges

Mr. Jacob Fraire, President

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May 1, 2020

Dr. Warren Nichols, President
College of the Mainland
1200 N. Amburn Rd.
Texas City, Texas 77591

RE: A Compliance Monitoring Desk Review of Formula Funding at College of the Mainland

Dear Dr. Nichols,

College of the Mainland complied with relevant Coordinating Board rules and regulations for enrollment data used for formula funding and with Texas Administrative Code (TAC) Title 19, Part 1, Chapter 13, in the areas of contact hour eligibility, tuition payments, and enrollments.

Summary

Our review included tests of relevant enrollment data reported and certified by College of the Mainland for accuracy and completeness in accordance with TAC, Chapter 13. Our desk review focused on the following enrollment data and time periods:

- Semester Credit Hours and Tuition Payments for CBM001 (Student Report) during summer semester 2018, fall semester 2018, and spring semester 2019;
- Contact Hours and Enrollment for CBM004 (Class Report) during summer semester 2018, fall semester 2018, and spring semester 2019; and
- Contact Hours and Enrollment for CBM00C (Continuing Education Class Report) during summer semester 2018, fall semester 2018, and spring semester 2019.

Our work included procedures to verify:

- Student tuition payment was received in accordance with requirements;
- Reported contact hours were eligible for formula funding; and
- Reported enrollment was eligible for formula funding.

The cooperation of your staff during this review is greatly appreciated. If you have any questions or comments on the conduct of this review, 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

PERFORMED BY:

Ms. Jamyen Robinson-Hall, Compliance Specialist

CC:

THECB

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College of the Mainland

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May 29, 2020

Dr. Christy Ponce, President
Temple College
2600 S. 1st Street
Temple, Texas 76504

Dear Dr. Ponce,

I am attaching the final report on *A Compliance Monitoring Desk Review of Formula Funding at Temple College*, Report No. THECB-CM-FF-20-014. There was one finding related to information technology controls resulting from this engagement.

Summary

Information security controls over student enrollment information at Temple College require improvement. Audit trails over key enrollment data such as class meeting days and times must be established to ensure the reliability and integrity of data used for formula funding decision making purposes. Therefore, our original review objectives, including a determination of the accuracy of contact hours reported by Temple College, were unable to be met.

A follow up audit will be performed to evaluate Temple College's information security controls. This will serve as a basis for future base period assessments of the accuracy of contact hours reported for formula funding purposes.

This Compliance Monitoring report will be presented to the Texas Higher Education Coordinating Board (THECB) Committee on Agency Operations, a standing committee of the THECB Board, on July 22, 2020.

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
Assistant Commissioner, Internal Audit and Compliance

Detailed Observation, Recommendation and Management's Response

1. Information technology processes and controls over student information system enrollment data should be strengthened.

Information technology processes and controls over student information system enrollment data should be strengthened. Although Temple College has policies and procedures in place to limit access to information systems, the student information system does not provide audit logs or change history for critical formula funding data, including:

- Credit hours
- Lab hours
- Lab contact hours
- Instruction mode
- Meeting times
- Lecture hours
- Lecture contact hours
- Type of instruction
- Meeting days
- Instructor of record

Audit logs provide documentary evidence to track a sequence of events, and the ability to monitor unauthorized system use or unusual activity. Without audit logs, maintaining the integrity of system information, and ensuring the reliability of data is limited.

Family Educational Rights and Privacy Act (FERPA) 34 CFR 99.31(a)(1)(ii) requires that "An educational agency or institution must use reasonable methods to ensure that school officials obtain access to only those education records in which they have legitimate educational interests." Security standards (TAC 202) established by the Department of Information Resources (DIR) for institutions of higher education are becoming a phased – in requirement for Community Colleges and provide a comprehensive basis for strengthening information security.

Recommendation:

Capture and retain student information system audit logs or change history for the critical data used for formula funding.

Management Response:

Temple College immediately resolved the logging issue and has taken proactive steps so that this issue never occurs in the future. On May 1, 2020, Temple College adjusted the Ellucian Colleague system to capture and retain student information system audit logs or change history for critical formula funding enrollment data. Temple College now has the capability to provide audit logs.

Responsible Parties: Shawn Dach, Division Director of Information Technology;
Brandon Bozon, Vice President of Administrative Services and Chief Financial
Officer; Carey Rose, Division Director of Student Enrollment Services

Completion and Effective Date: May 1, 2020

PERFORMED BY:

Ms. Carol Conner, CFE, Compliance Specialist

CC:

THECB

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Dr. Harrison Keller, Commissioner of Higher Education

Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Ms. Lori Fey, Deputy Commissioner, Data Analytics and Innovation

Mr. William Franz, General Counsel

Strategic Planning and Funding

Dr. Julie Eklund, Assistant Commissioner

Temple College

Mr. Bob Browder, Chair, Board of Trustees

Mr. Brandon Bozon, Vice President, Administrative Services and Chief Financial Officer

Ms. Carey Rose, Division Director, Student and Enrollment Services

Mr. Shawn Dach, Division Director, Information Systems

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Mr. Jacob Fraire, President

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April 13, 2020

Dr. Neal J. Smatresk, President
University of North Texas
1155 Union Circle #311425
Denton Texas 76203-5017

Dear Dr. Smatresk,

I am attaching the final report on *A Compliance Monitoring Audit of the TEXAS Grant at University of North Texas*, Report No. THECB-CM-FA-20-013. 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, on July 22, 2020.

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

University of North Texas (UNT) complied with relevant Coordinating Board (THECB) rules and regulations for the Toward EXcellence, Access, and Success (TEXAS) Grant Program and with Texas Administrative Code (TAC) 19, Chapter 22, Sections §22.225 - 22.240, in the areas of eligibility and award amounts.

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.

Our consideration of internal control was for the compliance purposes described in the scope section and was not designed to identify all deficiencies in internal control.

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.

Selective Service Registration

No reportable findings were noted.

Scope, Objective, and Methodology

Our compliance audit included tests of TEXAS Grant disbursements during fiscal year 2018-19 for compliance with relevant criteria, including:

- Student Eligibility
- Financial Need
- Satisfactory Academic Progress (SAP)
- Residency
- Selective Service Registration
- Award Amounts

Our work included procedures to verify:

- Students met all eligibility criteria including SAP requirements;
- Students demonstrated financial need;
- Students fulfilled residency requirements;
- Applicable students registered with the selective service system; and
- Reported award amounts reconciled with University of North Texas PeopleSoft data system and payment records.

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. THECB used random and judgmental sampling to determine the extent to which the University of North Texas accurately reported TEXAS Grant data.

Background

The purpose of the Toward EXcellence, Access, and Success (TEXAS) Grant Program is to provide grants of money to enable eligible students to attend public institutions of higher education in this state. During fiscal year 2018-2019, University of North Texas awarded \$22,677,777 in TEXAS Grants to 4,232 students.

PERFORMED BY:

Ms. Carol Conner, CFE, Compliance Specialist

CC:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education

Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Mr. William Franz, General Counsel

Mr. Ken Martin, Assistant Commissioner for Financial Services and Chief Financial Officer

Student Financial Aid Programs

Dr. Charles W. Contéro-Puls, Deputy Assistant Commissioner

University of North Texas

Mr. Shannon Goodman, Vice President for Enrollment Management

Ms. Zelma DeLeon, Executive Director, Student Financial Aid and Scholarships

Mr. Clay Simmons, Chief Compliance Officer

Ms. Chrisana Black, Financial Aid Compliance Officer, Student Financial Aid and Scholarships

University of North Texas System

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Ms. Tracy Gruning, Chief Audit Executive, Internal Audit

Ms. Carissa Spinks, Senior Director, Internal Audit

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May 18, 2020

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Dr. Richard Rhodes, President and CEO
Austin Community College
5930 Middle Fiskville Road
Austin, TX 78752

Dear Dr. Rhodes,

I am attaching the final report on *A Compliance Monitoring Desk Review of Texas Educational Opportunity Grant at Austin Community College*, Report No. THECB-CM-FA-20-024. There were no reportable observations resulting from this engagement.

Austin Community College (ACC) complied with relevant Coordinating Board (THECB) rules and regulations for the Texas Educational Opportunity Grant (TEOG) and with the Texas Administrative Code (TAC) §22.253 through 22.263.

Summary

Our desk review included tests of relevant financial data reported and certified by ACC for award year 2018-2019. We believe the evidence obtained provides a reasonable basis for the reportable observations and recommendations, if any, based on the desk review objectives.

Our work included procedures to verify:

- Students met all eligibility criteria, including SAP requirements;
- Students demonstrated financial need;
- Students fulfilled residency requirements;
- Applicable students registered with the selective service system; and
- Reported award amounts reconciled with Austin Community College's student data system and payment records.

The cooperation of your staff during this review is greatly appreciated. If you have any questions or comments on the conduct of this engagement, 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

PERFORMED BY:

Ms. Jamyen Robinson-Hall, Compliance Specialist

CC:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education

Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Mr. William Franz, General Counsel

Mr. Ken Martin, Assistant Commissioner for Financial Services and Chief Financial Officer

Student Financial Aid Programs

Dr. Charles W. Contéro-Puls, Deputy Assistant Commissioner

Austin Community College

Ms. Gigi Edwards Bryant, Chair, Board of Trustees

Dr. Melissa Curtis, Associate Vice President, Enrollment Management

Mr. Jason Briseno, Executive Director, Student Assistance & Veterans Affairs, Financial Aid

Texas Association of Community Colleges

Mr. Jacob Fraire, President and Chief Executive Officer

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Ms. Sarah Hicks, Budget and Policy Director

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May 21, 2020

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Dr. Eugene Giovannini, Chancellor
Tarrant County College
1500 Houston St.
Fort Worth, TX 76102

Dear Dr. Giovannini,

I am attaching the final report on *A Compliance Monitoring Desk Review of the Texas Educational Opportunity Grant at Tarrant County College*, Report No. THECB-CM-FA-20-022. There were no findings resulting from this engagement.

Tarrant County College (TARRANT) complied with relevant Coordinating Board (THECB) rules and regulations for the Texas Educational Opportunity Grant (TEOG) and with the Texas Administrative Code (TAC) §22.253 through 22.263.

Summary

Our desk review included tests of relevant financial data reported and certified by TARRANT for award year 2018-2019. We believe the evidence obtained provides a reasonable basis for the reportable observations and recommendations, if any, based on the desk review objectives.

Our work included procedures to verify:

- Students met all eligibility criteria, including SAP requirements;
- Students demonstrated financial need;
- Students fulfilled residency requirements;
- Applicable students registered with the selective service system; and
- Reported award amounts reconciled with TARRANT's student data system and payment records.

This Compliance Monitoring report will be presented to the THECB Committee on Agency Operations, a standing committee of the THECB Board, on July 22, 2020.

The cooperation of your staff during this review is greatly appreciated. If you have any questions or comments on the conduct of this engagement, 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

PERFORMED BY:

Ms. Elizabeth M. Steele, Compliance Specialist

CC:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education

Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Mr. William Franz, General Counsel

Mr. Ken Martin, Assistant Commissioner for Financial Services and Chief Financial Officer

Student Financial Aid Programs

Dr. Charles W. Contéro-Puls, Deputy Assistant Commissioner

Tarrant County College

Mr. Conrad Heede, President, Board of Trustees

Dr. Elva Le Blanc, Executive Vice Chancellor/Provost

Ms. Samantha Stalnaker, District Director of Student Financial Aid Services

Mr. Richard Sullivan, Associate Vice Chancellor, Technical Operations Group

Ms. Vicki Hutto, Director of Application Development

Ms. Mary Lou Bledsoe, Director Student Financial Aid Services, NE Campus

Mr. Nathan Ferguson, Director of Internal Audit

Texas Association of Community Colleges

Mr. Jacob Fraire, President

State Auditor's Office

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Office of the Governor-Budget and Policy Division

Ms. Sarah Hicks, Budget and Policy Director

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Mr. Christopher Mattsson, Assistant Director



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April 13, 2020

Dr. Carine M. Feyten, Chancellor and President
Texas Woman's University
304 Administration Dr.
Denton, TX 76204

Dear Dr. Feyton,

I am attaching the final report on *A Compliance Monitoring Desk Review of the TEXAS Grant at Texas Woman's University*, Report No. THECB-CM-FA-20-017. There were no findings resulting from this engagement.

This Compliance Monitoring report will be presented to the THECB Committee on Agency Operations, a standing committee of the THECB Board, in July 2020.

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

Texas Woman's University (TWU) complied with relevant Coordinating Board (THECB) rules and regulations for the Toward EXcellence, Access, and Success (TEXAS) Grant Program and with Texas Administrative Code (TAC) 19, Chapter 22, Sections §22.225 - 22.240, in the areas of eligibility and award amounts.

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.

Selective Service Registration

No reportable findings were noted.

Scope, Objective, and Methodology

Our compliance desk review included tests of TEXAS Grant disbursements during fiscal year 2018-19 for compliance with relevant criteria, including:

- Student Eligibility
- Financial Need
- Satisfactory Academic Progress (SAP)
- Residency
- Selective Service Registration
- Award Amounts

Our work included procedures to verify:

- Students met all eligibility criteria including SAP requirements;
- Students demonstrated financial need;
- Students fulfilled residency requirements;
- Applicable students registered with the selective service system; and
- Reported award amounts reconciled with Texas Woman's University Colleague data system and payment records.

The desk review 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 desk review. THECB used random and judgmental sampling to determine the extent to which Texas Woman's University accurately reported TEXAS Grant data.

Background

The purpose of the Toward EXcellence, Access, and Success (TEXAS) Grant Program is to provide grants of money to enable eligible students to attend public institutions of higher education in this state. During fiscal year 2018-2019, Texas Woman's University awarded \$7,682,246 in TEXAS Grants to 1,413 students.

PERFORMED BY:

Ms. Elizabeth M. Steele, Compliance Specialist

CC:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education

Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Mr. William Franz, General Counsel

Mr. Ken Martin, Assistant Commissioner for Financial Services and Chief Financial Officer

Student Financial Aid Programs

Dr. Charles W. Contéro-Puls, Deputy Assistant Commissioner

Texas Woman's University

Ms. Jill Jester, Chair, Board of Regents

Mr. Christopher Johnson, Chief of Staff

Dr. Monica Mendez-Grant, Vice President for Student Life

Mr. Jason Tomlinson, Vice President of Finance and Administration

Ms. Lacey Thompson, Executive Director of Financial Aid

Mr. Ray Khan, Senior Data Analytics Auditor, Office of Audit Services

Texas Council of Public University Presidents and Chancellors

Dr. Rissa McGuire, Executive Director

State Auditor's Office

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Sunset Advisory Commission

Ms. Jennifer Jones, Director

Office of the Governor-Budget and Policy Division

Ms. Sarah Hicks, Budget and Policy Director

Legislative Budget Board

Mr. Christopher Mattsson, Assistant Director



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April 17, 2020

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Dr. Dwight J. Fennell, President
Texas College
2404 North Grand Avenue
Tyler, TX 75702

Dear Dr. Fennell,

I am attaching the final report on *A Compliance Monitoring Desk Review of Tuition Equalization Grant at Texas College*, Report No. THECB CM-FA-20-019. There were no findings resulting from this engagement.

Texas College complied with relevant Coordinating Board (THECB) rules and regulations for Tuition Equalization Grant (TEG) and with Texas Administrative Code (TAC) §22.21 through §22.30.

Summary

Our desk review included tests of relevant financial aid data reported and certified by Texas College for award year 2018-2019. We believe the evidence obtained provides a reasonable basis for the findings and recommendations, if any based on the desk review objectives.

Our work included procedures to verify:

- Students demonstrated financial need;
- TEG award amounts met criteria;
- TEG recipients and non-recipients aligned with Texas College's methodology;
- TEG award amounts adhered to Texas College's policies;
- TEG degree plan/major requirements were met; and
- TEG funds were reconciled.

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

Sincerely,

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

PERFORMED BY:

Ms. Shebah Spears, Compliance Specialist

cc:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education

Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Mr. William Franz, General Counsel

Mr. Ken Martin, Assistant Commissioner for Financial Services and Chief Financial Officer

Student Financial Aid Programs

Dr. Charles W. Contéro-Puls, Deputy Assistant Commissioner

Texas College

Mr. Lawrence Reddick, III, Chairman, Board of Trustees

Dr. Cynthia Marshall-Biggins, VP Student Affairs

Ms. Millicent Rickenbacker, VP of Business and Finance

Walter Mosley, Acting VP Business Affairs

ShaDana Mingo, Director of Financial Aid

Independent Colleges and Universities in Texas

Elizabeth Puthoff, Interim President

State Reviewer's Office

Internal Review Coordinator

Sunset Advisory Commission

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Office of the Governor-Budget and Policy Division

Ms. Sarah Hicks, Budget and Policy Director

Legislative Budget Board

Mr. Christopher Mattsson, Assistant Director



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May 29, 2020

Mr. Jim Yeonopolus, Chancellor
Central Texas College District
6200 W. Central Texas Expressway
Killeen, Texas 76549

Dear Mr. Yeonopolus,

I am attaching the final report on *A Compliance Monitoring Desk Review of the Texas Educational Opportunity Grant at Central Texas College District*, Report No. THECB-CM-FA-20-023. There were no findings resulting from this engagement.

Central Texas College District complied with relevant Coordinating Board (THECB) rules and regulations for the Texas Educational Opportunity Grant (TEOG) and with the Texas Administrative Code (TAC) §22.253 through 22.263.

Summary

Our desk review included tests of relevant financial data reported and certified by Central Texas College District for award year 2018-2019. We believe the evidence obtained provides a reasonable basis for the reportable observations and recommendations, if any, based on the desk review objectives.

Our work included procedures to verify:

- Students met all eligibility criteria, including SAP requirements;
- Students demonstrated financial need;
- Students fulfilled residency requirements;
- Applicable students registered with the selective service system; and
- Reported award amounts reconciled with Central Texas College District's student data system and payment records.

This Compliance Monitoring report will be presented to the THECB Committee on Agency Operations, a standing committee of the THECB Board, on July 22, 2020.

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

Sincerely,

A handwritten signature in black ink that reads "Mark A. Poehl".

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

A Compliance Monitoring Desk Review of the Texas Educational Opportunity Grant
at Central Texas College District
Report No. THECB-CM-FA-20-023
May 2020

1

PERFORMED BY:

Ms. Carol Conner, CFE, Compliance Specialist

CC:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education

Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Mr. William Franz, General Counsel

Mr. Ken Martin, Assistant Commissioner for Financial Services and Chief Financial Officer

Student Financial Aid Programs

Dr. Charles W. Contéro-Puls, Deputy Assistant Commissioner

Central Texas College District

Mr. Rex Weaver, Chair, Board of Trustees

Dr. Robin Garrett, Deputy Chancellor, Academic and Student Success

Mr. James D. Barton, Director, Internal Auditor

Ms. Pearl Creviston, Director, Financial Aid

Mr. Cliff Gaines, Associate Deputy Chancellor, Information Technology

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Internal Audit Coordinator

Sunset Advisory Commission

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Office of the Governor-Budget and Policy Division

Ms. Sarah Hicks, Budget and Policy Director

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Mr. Christopher Mattsson, Assistant Director