

# AGENCY OPERATIONS COMMITTEE

## A G E N D A

**11:00 A.M., Wednesday, October 25, 2023**

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

Live broadcast available at: [highered.texas.gov](https://highered.texas.gov)

**Barbara Jordan Building (Room 2.035)  
1601 N. Congress Avenue,  
Austin, TX**

*This meeting is conducted in person or via video conference, pursuant to Texas  
Government Code, Section 551.127. A quorum of the Board may be present in the  
Board Room, which is open to the public.*

*Chair: Emma W. Schwartz*

*Vice Chair: Welcome W. Wilson, Jr.*

*Members: S. Javaid Anwar; Fred Farias III, O.D.; Stacy A. Hock; Donna N. Williams*

*Student Representative: Cage M. Sawyers (Ex-Officio)*

# AGENCY OPERATIONS COMMITTEE

## A G E N D A

***Public Testimony:*** The 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 of the Texas Higher Education Coordinating Board (Board) after staff has presented the item, or any other time as determined by the chair. For procedures on testifying, please go to [higher.ed.texas.gov/public-testimony](https://higher.ed.texas.gov/public-testimony).

- I. Welcome and committee chair's opening remarks
- II. Consideration and possible action to approve the minutes for the July 26, 2023, 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 Agency Cybersecurity Framework
- V. Finance
  - A. Review of the "Fiscal Year 2023 Financial Report" to the Board
- VI. Internal and external audit
  - A. Discussion on "An Audit Report on the Distribution of the National Research University Fund" issued in August 2023 by the Texas State Auditor's Office
  - B. Auditor's update on Internal Audit reports and activities
    - (1) Review of Purchasing Cards
    - (2) Self-Assessment of Internal Audit Work Quality at THECB for Fiscal Year 2023
    - (3) Internal Audit Annual Report for Fiscal Year 2023 (statutorily required)
    - (4) Internal Audit Corrective Action Status Report - October 2023 (summary report)

VII. Compliance monitoring

A. Auditor's update on state and federal compliance monitoring reports and activities

- (1) "Compliance Monitoring Audit of Formula Funding at The University of Texas MD Anderson Cancer Center" (no findings)
- (2) "Compliance Monitoring Desk Review of Formula Funding at Tarrant County College" (no findings)
- (3) "Compliance Monitoring Desk Review of Formula Funding at The University of Texas at San Antonio" (no findings)
- (4) "Compliance Monitoring Audit of TEXAS Grant at Angelo State University" (no findings)
- (5) "Compliance Monitoring Desk Review of College Access Loan at Trinity University" (no findings)
- (6) "Compliance Monitoring Audit of Texas Educational Opportunity Grant at Del Mar College" (no findings)
- (7) "Compliance Monitoring Audit of TEXAS Grant at The University of Texas at Tyler" (no findings)
- (8) "Compliance Monitoring Desk Review of College Access Loan at Texas Christian University" (no findings)
- (9) "Compliance Monitoring Audit of College Access Loan at Austin College" (no findings)
- (10) "Compliance Monitoring Audit of College Access Loan at Southern Methodist University" (no findings)
- (11) "Compliance Monitoring Desk Review of the Texas Educational Opportunity Grant at Texas State Technical College" (no findings)
- (12) "Compliance Monitoring Audit of Tuition Equalization Grant at Our Lady of the Lake University" (no findings)
- (13) "Compliance Monitoring Audit of Tuition Equalization Grant at Southwestern Christian College" (three findings)
- (14) "Compliance Monitoring Audit of Tuition Equalization Grant at Paul Quinn College" (one finding)

(15) “Compliance Monitoring Corrective Action Status Report – October 2023”

VIII. Adjournment

***Executive Session:*** 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 § 551.071.

***Note:*** Because the Board members who 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. Only assigned committee members act upon any item before the Agency Operations Committee at this meeting.

**Weapons Prohibited:** Pursuant to Texas Penal Code § 46.03(a)(14), a person commits an offense if the person intentionally, knowingly, or recklessly possesses or goes with a firearm, location-restricted knife, club, or prohibited weapon listed in Penal Code § 46.05, in the room or rooms where a meeting of a governmental entity is held, if the meeting is an open meeting subject to the Open Meetings Act (Tex. Gov’t Code ch 551), and if the entity provided notice as required by that chapter.

# Agency Operations Committee

## AGENDA ITEM I

### Welcome and committee chair's opening remarks

Ms. Emma Schwartz, 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 and possible action to approve the minutes for the July 26, 2023, committee meeting

RECOMMENDATION: Approval

**DRAFT**  
**TEXAS HIGHER EDUCATION COORDINATING BOARD**  
**Agency Operations Committee**

Wednesday, July 26, 2023; 11:52 a.m.  
Barbara Jordan Building (Room 2.035)  
1601 N. Congress Ave  
Austin, TX

The Agency Operations Committee convened at 11:52 a.m. on July 26, 2023, with the following members present: Emma Schwartz, presiding; Welcome Wilson, Vice Chair; Richard Clemmer; Fred Farias; Stacy Hock; Donna Williams; and Cage Sawyers, Student Representative (Ex-Officio).

Other Board members present: Ashlie Thomas and Daniel Wong

Members absent: S. Javaid Anwar

AGENDA ITEM	ACTION
I. Welcome and committee chair's opening remarks	Chair, Ms. Emma Schwartz, called the meeting of the Agency Operations Committee to order and called the role.  A quorum was met.
II. Consideration of approval of the minutes from April 26, 2023, committee meeting	On a motion by Ms. Williams, seconded by Mr. Wilson, the committee approved this item with all members voting in favor.
III. Public testimony	Ms. Schwartz stated there was no public testimony.
IV. Consent calendar	Ms. Schwartz stated there were no items on the consent calendar.
V. Agency operations	
A. Report on grants and contracts	Ms. Linda Natal, Director of Contract and Grant Management, was available for questions.  This item was for information only.
B. Update on the 88th Texas Legislature	Ms. Amy Peterson, Assistant Commissioner for External Relations, presented this item and was available for questions.  This item was for information only.

AGENDA ITEM	ACTION
<b>VI. Finance</b>	
<p>A. Review of the “Fiscal Year 2023 Financial Report” to the Board</p> <p>B. Consideration and possible action to adopt the agency’s operating budget for Fiscal Years 2024-2025</p> <p>C. Consideration and possible action to approve the Texas Department of Information Resources Interagency Contract budget for Data Center Services</p>	<p>Mr. Anthony Infantini, Chief Financial Officer, presented this item and was available for questions.</p> <p>This item was for information only.</p> <p>On motion by Dr. Farias, seconded by Mr. Williams, the committee approved this item with all members voting in favor.</p> <p>Mr. Anthony Infantini, Chief Financial Officer, presented this item and was available for questions.</p> <p>On motion by Ms. Hock, seconded by Ms. Williams, the committee approved this item with all members voting in favor.</p> <p>Mr. Anthony Infantini, Chief Financial Officer, presented this item and was available for questions.</p>
<b>VII. Internal and external audit</b>	
<p>A. Discussion of the audit of agencywide financial statements for the fiscal year ended August 31, 2022, by KPMG LLP</p> <p>B. Discussion of “An Audit Report on the College Access Loan Program at the Higher Education Coordinating Board” issued in April 2023 by the Texas State Auditor’s Office</p> <p>C. Consideration and possible action to adopt the Annual Internal Audit Plan for Fiscal Year 2024</p>	<p>Ms. Susan Warren, Audit Partner, and Shannon Canals, Senior Manager, with KPMG LLP, presented this item to the committee and was available for questions.</p> <p>This item was for information only.</p> <p>Mr. James Timberlake, Audit Manager, and Ms. Jennifer Brantly, Managing Senior Auditor, from the State Auditor’s Office, presented this item and were available for questions.</p> <p>This item was for information only.</p> <p>On motion by Ms. Williams, seconded by Mr. Wilson, the committee approved this item with all members voting in favor.</p> <p>Mr. Paul Maeyaert, Interim Assistant Commissioner, Internal Audit and Compliance, presented this item and was available for</p>



AGENDA ITEM	ACTION
<p>D. Auditor's update on Internal Audit reports and activities.</p> <p>(1) Internal Audit Corrective Action Status Report – July 2023 (summary report)</p>	<p>questions.</p> <p>Mr. Paul Maeyaert, Interim Assistant Commissioner, Internal Audit and Compliance, presented this time and was available for questions.</p> <p>This item was for information only.</p>
<b>VIII. Compliance monitoring</b>	
<p>A. Auditor's update on state and federal compliance monitoring reports and activities</p> <p>(1) "Compliance Monitoring Audit of Formula Funding at Trinity Valley Community College" (no findings)</p> <p>(2) "Compliance Monitoring Audit of Formula Funding at McLennan Community College" (no findings)</p> <p>(3) "Compliance Monitoring Audit of Formula Funding at Texas A&amp;M University" (no findings)</p> <p>(4) "Compliance Monitoring Audit of Formula Funding at Austin Community College" (one finding related to IT controls)</p> <p>(5) "Compliance Monitoring Audit of Formula Funding at Texas Tech University" (no findings)</p> <p>(6) "Compliance Monitoring Follow Up Review of Formula Funding at Ranger College" (no findings)</p> <p>(7) "Compliance Monitoring Audit of Texas Educational Opportunity Grant (TEOG) at Tyler Junior College" (no findings)</p> <p>(8) Compliance Monitoring Follow Up Review of Tuition Equalization Grant (TEG) at McMurry University" (no findings)</p>	<p>Mr. Paul Maeyaert, Interim Assistant Commissioner for Internal Audit and Compliance, presented this item and was available for questions.</p> <p>This item was for information only.</p>

AGENDA ITEM	ACTION
<p>(9) “Compliance Monitoring Follow Up Review of Tuition Equalization Grant (TEG) at Dallas Baptist University” (no findings)</p> <p>(10) “Compliance Monitoring Follow Up Review of Texas Educational Opportunity Grant (TEOG) at Navarro College” (no findings)</p> <p>(11) “Compliance Monitoring Corrective Action Status Report – July 2023”</p> <p>B. Consideration and possible action to adopt the Annual State Compliance Monitoring Plan for Fiscal Year 2024</p>	<p>On motion by Mr. Wilson, and seconded by Ms. Williams, the committee approved this item with all members voting in favor.</p> <p>Mr. Paul Maeyaert, Interim Assistant Commissioner, Internal Audit and Compliance, presented this item and was available for questions.</p>
<p><b>IX. Adjournment</b></p>	<p>On a motion by Ms. Williams, seconded by Dr. Farias, the meeting adjourned at approximately 12:44 p.m.</p>

## Agency Operations Committee

### AGENDA ITEM III

Public testimony on agenda items relating to the Agency Operations Committee

RECOMMENDATION: No action required

Background Information:

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 of Higher Education, to whom the board of the Texas Higher Education Coordinating Board (Board), 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,” agency staff also provides the Board a quarterly report highlighting and listing all grants and contracts exceeding \$1 million.

Maria Hernandez, Deputy Chief Financial Officer, is available to answer questions.



**Contracts Executed by the Agency Over \$1 Million**

**June 7, 2023 – August 31, 2023**

Division Unit	Contract #	Performing Agent	Description	Active Date	Total \$
065 Funding	29874	Texas Tech University	Texas Research Incentive Program	8/14/2023	10,633,470.00
065 Funding	29874	The University of Texas at Dallas	Texas Research Incentive Program	8/14/2023	3,563,113.64
120 Student Success	29792	UT Austin Apply Tx	Develop and Maintain ApplyTexas Admission Application System	8/29/2023	1,153,144.00
145 GEER II DMI Edu & Wkfr	29366	Deloitte Consulting LLP	Contract Extension	6/14/2023	1,500,000.00
157 GEERII College Readiness	29335	The University of Texas At Austin (Serv)	Develop, Deploy, and Scale High Quality Introductory Digital Course Materials	8/1/2023	1,250,000.00
157 GEERII College Readiness	29336	Texas A&M University (Service)	Develop, Deploy, and Scale High Quality Introductory Digital Course Materials	7/27/2023	1,200,000.00
					<b>\$ 19,299,727.64</b>



**Contracts Executed by the Agency in Accordance with Board Rule 1.16**

**June 7, 2023 – August 31, 2023**

# AGENDA ITEM IV-A.2

Contracts Executed by the Agency in Accordance with Board Rule 1.16

Division Unit	Contract #	Performing Agent	Description	Active Date	Total \$
029 Open Education Resource Admin	29391	Texas Woman's University	Open Educational Resources Grant Program	6/7/2023	5,000.00
0387 Bonds	29901	McCall, Parkhurst & Horton	Bond Counsel	8/23/2023	440,000.00
065 Funding	29874	Texas Tech University	Texas Research Incentive Program	8/14/2023	10,633,470.00
065 Funding	29874	The University of Texas at Dallas	Texas Research Incentive Program	8/14/2023	3,563,113.64
065 Funding	29874	University of Houston	Texas Research Incentive Program	8/14/2023	963,693.36
065 Funding	29874	Texas State University	Texas Research Incentive Program	8/14/2023	408,937.50
065 Funding	29874	The University of Texas at San Antonio	Texas Research Incentive Program	8/14/2023	350,000.00
065 Funding	29874	University of North Texas	Texas Research Incentive Program	8/14/2023	322,785.50
065 Funding	29874	The University of Texas at El Paso	Texas Research Incentive Program	8/14/2023	240,000.00
065 Funding	29874	The University of Texas at Arlington	Texas Research Incentive Program	8/14/2023	143,000.00
070 Academic and Health Affairs	29598	Baylor College of Medicine	Autism Grant Program Amendment	7/24/2023	29,462.31
070 Academic and Health Affairs	29599	Baylor University	Autism Grant Program Amendment	7/25/2023	29,462.31
070 Academic and Health Affairs	29600	The University of Texas at Dallas	Autism Grant Program Amendment	7/24/2023	29,462.31
070 Academic and Health Affairs	29595	Texas State University	Autism Grant Program Amendment	7/28/2023	22,795.00
070 Academic and Health Affairs	29596	University of Houston -Clear Lake	Autism Grant Program Amendment	7/24/2023	22,795.00
070 Academic and Health Affairs	29597	The University of Texas at San Antonio	Autism Grant Program Amendment	7/24/2023	22,795.00
070 Academic and Health Affairs	29588	Texas Tech University	Autism Grant Program Amendment	7/24/2023	22,676.00
070 Academic and Health Affairs	29590	Texas Woman's University	Autism Grant Program Amendment	7/24/2023	22,676.00
070 Academic and Health Affairs	29591	University of Houston -Clear Lake	Autism Grant Program Amendment	7/24/2023	22,676.00
070 Academic and Health Affairs	29592	University of Texas Rio Grande Valley	Autism Grant Program Amendment	7/28/2023	22,676.00
070 Academic and Health Affairs	29593	The University of Texas at Austin	Autism Grant Program Amendment	7/28/2023	22,676.00
070 Academic and Health Affairs	29594	The University of Texas at San Antonio	Autism Grant Program Amendment	7/24/2023	22,676.00
070 Academic and Health Affairs	29645	The University of Texas Southwestern Medical Center	Emergency and Trauma Care Education Partnership Program Grant Amendment	7/28/2023	13,494.00
070 Academic and Health Affairs	29646	The University of Texas at Austin	Emergency and Trauma Care Education Partnership Program Grant Amendment	7/28/2023	13,494.00
070 Academic and Health Affairs	29643	The University of Texas Health Science Center at Houston	Emergency and Trauma Care Education Partnership Program Grant Amendment	7/28/2023	8,996.00
070 Academic and Health Affairs	29647	Texas Tech University HSC at El Paso Paul L Foster School of Medicine (774)	Emergency and Trauma Care Education Partnership Program Grant Amendment	7/26/2023	4,498.00
070 Academic and Health Affairs	29648	The University of Texas Southwestern Medical Center	Emergency and Trauma Care Education Partnership Program Grant Amendment	7/28/2023	4,498.00
070 Academic and Health Affairs	29649	Baylor University Medical Center (Dallas)	Emergency and Trauma Care Education Partnership Program Grant Amendment	7/28/2023	4,498.00
070 Academic and Health Affairs	29633	University of North Texas Health Science Center at Fort Worth	Family Medicine Residency Program Grant Amendment	7/28/2023	23,950.57
070 Academic and Health Affairs	29482	Sam Houston State University	Graduate Medical Education Expansion Program Grant	8/17/2023	150,000.00
070 Academic and Health Affairs	30014	McAllen Hospitals LP dba South Texas Health System	Graduate Medical Education Planning and Partnership Grant	8/30/2023	250,000.00
070 Academic and Health Affairs	30015	Texas A&M Health Science Center (College of Medicine)	Graduate Medical Education Planning and Partnership Grant	8/29/2023	250,000.00
070 Academic and Health Affairs	30016	University of North Texas Health Science Center at Fort Worth	Graduate Medical Education Planning and Partnership Grant	8/29/2023	250,000.00
070 Academic and Health Affairs	30017	The University of Texas Health Science Center at Tyler	Graduate Medical Education Planning and Partnership Grant	8/31/2023	250,000.00
070 Academic and Health Affairs	30019	University of the Incarnate Word	Graduate Medical Education Planning and Partnership Grant	8/22/2023	249,028.00
070 Academic and Health Affairs	30018	University of Texas Rio Grande Valley	Graduate Medical Education Planning and Partnership Grant	8/29/2023	248,262.00
070 Academic and Health Affairs	29904	Sam Houston State University	Graduate Medical Education Planning and Partnership Grant	8/22/2023	244,103.00
070 Academic and Health Affairs	29635	Christus Health	Negative Amendment Graduate Medical Education Expansion Program Grant	8/3/2023	-75,000.00
070 Academic and Health Affairs	29418	Texas A&M Health Science Center (College of Medicine)	Negative Amendment Graduate Medical Education Expansion Program Grant	8/8/2023	-75,000.00
070 Academic and Health Affairs	29423	Texas Institute for Graduate Medical Education and Research	Negative Amendment Graduate Medical Education Expansion Program Grant	8/3/2023	-75,000.00
070 Academic and Health Affairs	29606	The University of Texas Medical Branch at Galveston	Negative Amendment Graduate Medical Education Expansion Program Grant	7/12/2023	-75,000.00
070 Academic and Health Affairs	29607	The University of Texas Medical Branch at Galveston	Negative Amendment Graduate Medical Education Expansion Program Grant	7/12/2023	-75,000.00
070 Academic and Health Affairs	29427	Texas Institute for Graduate Medical Education and Research	Negative Amendment Graduate Medical Education Expansion Program Grant	8/6/2023	-225,000.00
070 Academic and Health Affairs	29885	Columbia Medical Center of Arlington	Negative Amendment Graduate Medical Education Expansion Program Grant	8/31/2023	-225,000.00
070 Academic and Health Affairs	29897	CHCA West Houston LP DBA West Houston Medical Center	Negative Amendment Graduate Medical Education Expansion Program Grant	8/28/2023	-375,000.00
070 Academic and Health Affairs	29879	Baptist Hospitals of Southeast Texas	No-Cost Amendment	8/16/2023	0.00
070 Academic and Health Affairs	29660	Texas State University	No-Cost Extension Amendment	7/24/2023	0.00
070 Academic and Health Affairs	29661	The University of Texas at San Antonio	No-Cost Extension Amendment	7/24/2023	0.00
070 Academic and Health Affairs	29674	The University of Texas Health Science Center at Houston	No-Cost Extension Amendment	7/24/2023	0.00
070 Academic and Health Affairs	29974	Baylor University	Nursing Innovation Grant Program	8/21/2023	200,000.00
070 Academic and Health Affairs	29988	San Antonio College	Nursing Innovation Grant Program	8/28/2023	200,000.00
070 Academic and Health Affairs	29991	Southwestern Adventist University	Nursing Innovation Grant Program	8/21/2023	200,000.00
070 Academic and Health Affairs	29992	St. Philip's College	Nursing Innovation Grant Program	8/28/2023	200,000.00
070 Academic and Health Affairs	29995	Texas A&M International University	Nursing Innovation Grant Program	8/17/2023	200,000.00
070 Academic and Health Affairs	30008	University of Houston	Nursing Innovation Grant Program	8/28/2023	200,000.00
070 Academic and Health Affairs	30013	West Texas A&M University	Nursing Innovation Grant Program	8/17/2023	200,000.00
070 Academic and Health Affairs	29987	Sam Houston State University	Nursing Innovation Grant Program	8/21/2023	199,989.00
070 Academic and Health Affairs	29975	Central Texas College	Nursing Innovation Grant Program	8/23/2023	199,978.00
070 Academic and Health Affairs	29979	Dallas College	Nursing Innovation Grant Program	8/21/2023	199,948.00
070 Academic and Health Affairs	29987	Texas A&M University-Corpus Christi	Nursing Innovation Grant Program	8/23/2023	199,917.00
070 Academic and Health Affairs	29996	Texas A&M University-Commerce	Nursing Innovation Grant Program	8/17/2023	199,836.00
070 Academic and Health Affairs	29978	Concordia University	Nursing Innovation Grant Program	8/28/2023	199,360.00
070 Academic and Health Affairs	30010	University of Texas Rio Grande Valley	Nursing Innovation Grant Program	8/23/2023	199,031.00
070 Academic and Health Affairs	30005	The University of Texas at Austin	Nursing Innovation Grant Program	8/23/2023	198,285.00
070 Academic and Health Affairs	29977	Collin County Community College District	Nursing Innovation Grant Program	8/21/2023	198,265.00
070 Academic and Health Affairs	30000	Texas State Technical College-West Texas	Nursing Innovation Grant Program	8/21/2023	198,215.00
070 Academic and Health Affairs	29971	Angelo State University	Nursing Innovation Grant Program	8/21/2023	197,942.00
070 Academic and Health Affairs	30006	The University of Texas at El Paso	Nursing Innovation Grant Program	8/23/2023	197,751.00
070 Academic and Health Affairs	29986	Prairie View A&M University	Nursing Innovation Grant Program	8/28/2023	197,500.00
070 Academic and Health Affairs	30009	University of St Thomas	Nursing Innovation Grant Program	8/23/2023	197,387.00
070 Academic and Health Affairs	30003	Texas State University	Nursing Innovation Grant Program	8/17/2023	197,283.00
070 Academic and Health Affairs	29976	College of the Mainland	Nursing Innovation Grant Program	8/21/2023	195,002.00

Contracts executed June 7, 2023-August 31, 2023 and those not included in previous reports



Contracts Executed by the Agency in Accordance with Board Rule 1.16

Division Unit	Contract #	Performing Agent	Description	Active Date	Total \$
070 Academic and Health Affairs	29999	Texas State Technical College-Harlingen	Nursing Innovation Grant Program	8/21/2023	194,415.00
070 Academic and Health Affairs	30004	The University of Texas at Arlington	Nursing Innovation Grant Program	8/28/2023	192,887.00
070 Academic and Health Affairs	30011	University of the Incarnate Word	Nursing Innovation Grant Program	8/21/2023	191,590.00
070 Academic and Health Affairs	29981	Lamar University	Nursing Innovation Grant Program	8/21/2023	186,220.00
070 Academic and Health Affairs	29988	Alvin Community College	Nursing Innovation Grant Program	8/21/2023	183,566.00
070 Academic and Health Affairs	29989	San Jacinto College District	Nursing Innovation Grant Program	8/28/2023	172,731.00
070 Academic and Health Affairs	29980	Galveston College	Nursing Innovation Grant Program	8/21/2023	172,025.00
070 Academic and Health Affairs	29990	South Plains College	Nursing Innovation Grant Program	8/21/2023	168,000.00
070 Academic and Health Affairs	29984	Odessa College	Nursing Innovation Grant Program	8/23/2023	160,990.00
070 Academic and Health Affairs	30012	Weatherford College	Nursing Innovation Grant Program	8/21/2023	158,818.00
070 Academic and Health Affairs	29993	Sul Ross State University	Nursing Innovation Grant Program	8/21/2023	157,094.00
070 Academic and Health Affairs	30007	Trinity Valley Community College	Nursing Innovation Grant Program	8/28/2023	156,000.00
070 Academic and Health Affairs	29982	Lone Star College-North Harris	Nursing Innovation Grant Program	8/28/2023	143,760.00
070 Academic and Health Affairs	29998	Texas Southmost College	Nursing Innovation Grant Program	8/28/2023	125,287.00
070 Academic and Health Affairs	29985	Paris Junior College	Nursing Innovation Grant Program	8/21/2023	89,469.00
070 Academic and Health Affairs	29994	Temple College	Nursing Innovation Grant Program	8/21/2023	68,790.00
070 Academic and Health Affairs	29983	Navarro College	Nursing Innovation Grant Program	8/21/2023	57,127.00
070 Academic and Health Affairs	29576	Texas Chapter of the American College of Physicians	Statewide Preceptorship Program Grant Amendment	7/20/2023	186,934.00
070 Academic and Health Affairs	29575	Texas Academy of Family Physicians	Statewide Preceptorship Program Grant Amendment	7/24/2023	181,934.40
070 Academic and Health Affairs	29577	Texas Pediatric Society	Statewide Preceptorship Program Grant Amendment	7/18/2023	23,550.00
075 OnCourse	29657	Workquest Temps	Temporary Personnel	8/30/2023	53,271.00
136 SSI CCA	29854	Texarkana College	Negative Amendment Student Success Acceleration Program Implementation Grant	8/16/2023	-20,000.00
136 SSI CCA	29850	Victoria College	Negative Amendment Student Success Acceleration Program Implementation Grant	8/16/2023	-25,000.00
136 SSI CCA	29856	Texas State University	Negative Amendment Student Success Acceleration Program Implementation Grant	8/16/2023	-44,800.00
136 SSI CCA	29853	St. Mary's University of San Antonio	Negative Amendment Student Success Acceleration Program Implementation Grant	8/16/2023	-45,000.00
136 SSI CCA	29857	University of Houston	Negative Amendment Student Success Acceleration Program Implementation Grant	8/16/2023	-50,000.00
136 SSI CCA	29663	McLennan Community College	Negative Amendment Student Success Acceleration Program Implementation Grant	8/3/2023	-250,000.00
136 SSI CCA	29772	MDRC	Negative Amendment Student Success Program Inventory	8/7/2023	-700,000.00
136 SSI CCA	29384	Ithaka Harbors Inc	Student Success Programs Inventory Amendment	7/19/2023	75,000.00
140 GEER II Advise TX	28044	Prairie View A&M University (Service)	Develop New Advise TX CAC Hybrid Advising Program	8/28/2023	145,000.00
141 GEER II Apply TX	29860	OnData, Inc.	Data De-Identification for ApplyTX EDI Files	8/2/2023	17,250.00
143 Transfer Grants	29055	University of Houston (Service)	Student Aid Awards	6/7/2023	115,000.00
145 GEER II DMI Edu & Wkfc	29419	Deloitte Consulting LLP	Contract Amendment	6/28/2023	348,924.00
145 GEER II DMI Edu & Wkfc	29494	Daman Consulting Incorporated	Contract Extension	7/31/2023	125,000.00
145 GEER II DMI Edu & Wkfc	29519	Daman Consulting Incorporated	Contract Extension	7/31/2023	125,000.00
145 GEER II DMI Edu & Wkfc	30032	Workquest Temps	Contract Extension	8/31/2023	12,393.36
145 GEER II DMI Edu & Wkfc	29584	Daman Consulting Incorporated	Temporary Personnel	7/10/2023	50,000.00
145 GEER II DMI Edu & Wkfc	29583	Daman Consulting Incorporated	Temporary Personnel	7/10/2023	42,560.00
145 GEER II DMI Edu & Wkfc	29585	Daman Consulting Incorporated	Temporary Personnel	7/10/2023	39,520.00
145 GEER II DMI Edu & Wkfc	29586	Daman Consulting Incorporated	Temporary Personnel	7/7/2023	30,000.00
156 GEERII Shared Services	29790	Brightleaf Group	Accessibility Services for Digital Learning Summit	8/28/2023	10,817.40
156 GEERII Shared Services	29082	Del Mar College Service	Development of Course Sharing Processes and Protocols	7/21/2023	50,000.00
156 GEERII Shared Services	29083	El Paso County Community College (Service)	Development of Course Sharing Processes and Protocols	6/27/2023	50,000.00
156 GEERII Shared Services	29098	Lone Star College System (Service)	Development of Course Sharing Processes and Protocols	6/21/2023	50,000.00
156 GEERII Shared Services	29788	The University of Texas at Arlington (Service)	Implementation of a Digital Information Literacy Hub	8/18/2023	95,000.00
156 GEERII Shared Services	29789	Sam Houston State University (Service)	Implementation of a Digital Instruction Hub	8/24/2023	250,000.00
156 GEERII Shared Services	29441	Dallas College Service	Lead Community College Implementation Learning Networks	8/2/2023	75,000.00
156 GEERII Shared Services	29442	University of North Texas (Service)	Lead Community College Implementation Learning Networks	8/8/2023	75,000.00
156 GEERII Shared Services	29449	Laredo Community College (Service)	Micro-Credential Learning Network Participation	8/2/2023	60,000.00
156 GEERII Shared Services	29450	Northeast Texas Community College (Service)	Micro-Credential Learning Network Participation	8/2/2023	60,000.00
156 GEERII Shared Services	29453	Temple College Service	Micro-Credential Learning Network Participation	8/3/2023	60,000.00
156 GEERII Shared Services	29447	McLennan Community College (Service)	Micro-Credential Learning Network Participation	8/7/2023	30,000.00
156 GEERII Shared Services	29448	Lamar State College Orange Service	Micro-Credential Learning Network Participation	8/2/2023	30,000.00
156 GEERII Shared Services	29451	San Jacinto College District Service	Micro-Credential Learning Network Participation	8/8/2023	30,000.00
156 GEERII Shared Services	29452	Paris Junior College (Service)	Micro-Credential Learning Network Participation	8/2/2023	30,000.00
156 GEERII Shared Services	29443	Alamo Colleges District (Service)	Micro-Credential Learning Networks Project Lead Expert	7/13/2023	425,000.00
157 GEERII College Readiness	29063	Institute for the Study of Knowledge Management in Education	Contract Amendment	6/27/2023	148,000.00
157 GEERII College Readiness	29079	Institute for the Study of Knowledge Management in Education	Contract Amendment	6/27/2023	97,000.00
161 GEERII Educator Prep Impl	29550	University of North Texas	Educator Preparation Direct Grant Program	7/24/2023	250,000.00
161 GEERII Educator Prep Impl	29551	Texas State University System	Educator Preparation Direct Grant Program	7/17/2023	250,000.00
161 GEERII Educator Prep Impl	29552	Texas A&M University System	Educator Preparation Direct Grant Program	7/18/2023	250,000.00
161 GEERII Educator Prep Impl	29555	The University of Texas System	Educator Preparation Direct Grant Program	7/14/2023	250,000.00
161 GEERII Educator Prep Impl	29553	University of Houston Systems	Educator Preparation Direct Grant Program	7/26/2023	245,409.00
161 GEERII Educator Prep Impl	29554	Texas Woman's University	Educator Preparation Direct Grant Program	7/13/2023	75,000.00
161 GEERII Educator Prep Impl	29574	Texas Southern University	Educator Preparation Direct Grant Program	7/12/2023	75,000.00
201 Finance	30064	Workquest Temps	Temporary Personnel	8/28/2023	18,532.00
201 Information Solutions and Services	29706	AT&T Mobility II LLC dba AT&T Mobility	AT&T iPhone and iPad Data Services Renewals	8/25/2023	15,000.00
201 Information Solutions and Services	29973	Daman Consulting Incorporated	Contract Extension	8/28/2023	49,770.50
201 Information Solutions and Services	29935	Esolvit Inc	Contract Extension	8/28/2023	45,253.20
201 Information Solutions and Services	29972	Loblolly Consulting LLC	Contract Extension	8/28/2023	45,105.28
201 Information Solutions and Services	29695	Solid Border Inc	Contract Extension	8/4/2023	17,299.24
201 Information Solutions and Services	29436	Barbarian USA Inc.	Dell Hub Monitors	6/16/2023	14,200.00
201 Information Solutions and Services	29702	Dell Marketing LP	Dell Thunderbolt Docking Station:	8/3/2023	54,747.50

Contracts executed June 7, 2023-August 31, 2023 and those not included in previous reports

# AGENDA ITEM IV-A.2

Contracts Executed by the Agency in Accordance with Board Rule 1.16

Division Unit	Contract #	Performing Agent	Description	Active Date	Total \$
201 Information Solutions and Services	29705	Mura Software Inc	Mura Subscription Renewa	8/28/2023	16,800.00
201 Information Solutions and Services	29540	Solid Border Inc	Palo Alto Security Firewall Services Renewa	7/31/2023	129,015.40
201 Information Solutions and Services	29526	DLT Solutions LLC	Pluralsight Business Professional Licenses Renewal	6/15/2023	21,399.32
201 Information Solutions and Services	30035	Ricoh USA Inc	Ricoh Printer Renewal	8/29/2023	73,093.68
201 Information Solutions and Services	29614	Daman Consulting Incorporated	Temporary Personnel	7/18/2023	49,950.00
201 Information Solutions and Services	29615	Daman Consulting Incorporated	Temporary Personnel	7/18/2023	49,950.00
201 Information Solutions and Services	29613	Daman Consulting Incorporated	Temporary Personnel	7/18/2023	49,910.00
201 Information Solutions and Services	30050	Daman Consulting Incorporated	Temporary Personnel	8/28/2023	49,155.00
201 Information Solutions and Services	30053	Daman Consulting Incorporated	Temporary Personnel	8/28/2023	49,155.00
201 Information Solutions and Services	29078	Esolvit Inc	Temporary Personnel	6/12/2023	46,090.80
201 Information Solutions and Services	29040	Loblolly Consulting LLC	Temporary Personnel	7/6/2023	32,560.00
201 Information Solutions and Services	29532	Shi Government Solutions Inc	Tipping Point Threat Protection Digital Services and Licenses Renewal	6/29/2023	18,545.22
201 Workforce Education	29413	Optimum Consultancy Service LLC	SmartSheet Based Grant Cycle Administration Solution	8/8/2023	37,612.00
201 Workforce Education	29433	Airbus DS Government Solutions Inc	TXWORKS Internship Program Grant	7/19/2023	115,200.00
201 Workforce Education	29424	Prestige Wealth Management Inc	TXWORKS Internship Program Grant	6/14/2023	76,800.00
201 Workforce Education	29422	Burnett Companies Consolidated Inc	TXWORKS Internship Program Grant	6/21/2023	54,000.00
201 Workforce Education	29571	Endress + Hauser Inc	TXWORKS Internship Program Grant	7/24/2023	33,600.00
201 Workforce Education	29573	Atkinson Aeronautics & Technology Inc	TXWORKS Internship Program Grant	7/24/2023	27,400.00
201 Workforce Education	29425	GJR Meyer Service Inc	TXWORKS Internship Program Grant	6/16/2023	24,000.00
201 Workforce Education	29471	Sambatek LLC	TXWORKS Internship Program Grant	7/24/2023	24,000.00
201 Workforce Education	29795	Corpus Christi Athletic Club LLC	TXWORKS Internship Program Grant	8/3/2023	21,000.00
201 Workforce Education	29667	Every Voice Texas Asian Texans for Justice	TXWORKS Internship Program Grant	7/25/2023	14,400.00
201 Workforce Education	29681	MNK Infotech Inc	TXWORKS Internship Program Grant	7/28/2023	14,000.00
201 Workforce Education	29407	Unixporter LLC	TXWORKS Internship Program Grant	6/7/2023	3,200.00
218 Developmental Ed Prog - Admin	29861	College of the Mainland	College Readiness and Success Models Grant	8/8/2023	100,000.00
218 Developmental Ed Prog - Admin	29862	Grayson College	College Readiness and Success Models Grant	8/9/2023	100,000.00
218 Developmental Ed Prog - Admin	29863	North Central Texas Community College District	College Readiness and Success Models Grant	8/10/2023	100,000.00
218 Developmental Ed Prog - Admin	29865	Northwest Vista College	College Readiness and Success Models Grant	8/8/2023	100,000.00
218 Developmental Ed Prog - Admin	29866	Panola College	College Readiness and Success Models Grant	8/7/2023	100,000.00
218 Developmental Ed Prog - Admin	29867	Sam Houston State University	College Readiness and Success Models Grant	8/7/2023	100,000.00
218 Developmental Ed Prog - Admin	29868	Texas A&M International University	College Readiness and Success Models Grant	8/8/2023	100,000.00
218 Developmental Ed Prog - Admin	29869	Texas A&M University-Corpus Christi	College Readiness and Success Models Grant	8/9/2023	100,000.00
218 Developmental Ed Prog - Admin	29870	Texas A&M University-Commerce	College Readiness and Success Models Grant	8/7/2023	100,000.00
218 Developmental Ed Prog - Admin	29871	Texas A&M University-Kingsville	College Readiness and Success Models Grant	8/8/2023	100,000.00
218 Developmental Ed Prog - Admin	29872	Texas State University	College Readiness and Success Models Grant	8/13/2023	100,000.00
218 Developmental Ed Prog - Admin	29873	University of North Texas at Dallas	College Readiness and Success Models Grant	8/8/2023	100,000.00
218 Developmental Ed Prog - Admin	29864	Alamo Community College District (Northeast Lakeview College)	College Readiness and Success Models Grant	8/7/2023	99,756.00
218 Developmental Ed Prog - Admin	29838	Lone Star College System	No-Cost Extension Amendment	8/29/2023	0.00
218 Developmental Ed Prog - Admin	29839	Texas A&M International University	No-Cost Extension Amendment	8/4/2023	0.00
218 Developmental Ed Prog - Admin	29840	Texas A&M University-San Antonio	No-Cost Extension Amendment	8/3/2023	0.00
218 Developmental Ed Prog - Admin	29842	Texas Woman's University	No-Cost Extension Amendment	8/7/2023	0.00
218 Developmental Ed Prog - Admin	29843	Texas State University	No-Cost Extension Amendment	8/8/2023	0.00
218 Developmental Ed Prog - Admin	29844	University of Houston-Downtown	No-Cost Extension Amendment	8/3/2023	0.00
317 Perkins-AQ&W Admin	28774	Houston Community College System	Perkins Basic Reallocation Amendment	6/7/2023	521,311.00
317 Perkins-AQ&W Admin	28780	Laredo Community College	Perkins Basic Reallocation Amendment	6/13/2023	99,177.00
317 Perkins-AQ&W Admin	29630	Lone Star College System	Perkins Equitable Access and Opportunity Program Grant	8/9/2023	500,000.00
317 Perkins-AQ&W Admin	29627	Dallas College	Perkins Equitable Access and Opportunity Program Grant	8/3/2023	499,982.00
317 Perkins-AQ&W Admin	29631	Texas Southmost College	Perkins Equitable Access and Opportunity Program Grant	8/6/2023	499,747.00
317 Perkins-AQ&W Admin	29628	Del Mar College	Perkins Equitable Access and Opportunity Program Grant	8/3/2023	438,037.00
317 Perkins-AQ&W Admin	29629	San Jacinto College District	Perkins Equitable Access and Opportunity Program Grant	8/3/2023	417,865.00
317 Perkins-AQ&W Admin	29781	Houston Community College System	Perkins Leadership Grant	8/30/2023	199,951.00
317 Perkins-AQ&W Admin	29783	Texas State Technical College System	Perkins Leadership Grant	8/28/2023	165,718.00
317 Perkins-AQ&W Admin	29782	Temple College	Perkins Leadership Grant	8/28/2023	45,000.00
317 Perkins-AQ&W Admin	29570	Workquest Temps	Temporary Personnel	7/7/2023	23,760.00
510 SFAP - Student Loan Admin	28665	Nelnet	Servicing Agent for Loan Programs	7/20/2023	192,351.36
					<b>\$ 34,933,270.16</b>

## Memorandum of Understanding (\$0 Contract Amount)

037 Education Research Centers	29845	The University of Texas at Austin	Create Education Research Center	8/3/2023	0.00
137 My TX Future	28929	Texas A&M International University	Participation Agreement	6/14/2023	0.00
137 My TX Future	29527	Texas Tech University Health Sciences Center	Participation Agreement	8/22/2023	0.00
201 Finance	29468	Texas Comptroller of Public Accounts	Automated Clearing House Services	7/11/2023	0.00
515G FAS	29133	Angelo State University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29135	Lamar University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29136	Midwestern State University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29137	Prairie View A&M University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29138	Sam Houston State University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29139	Stephen F. Austin State University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29140	Tarleton State University	Program Participation Agreement	8/15/2023	0.00

Contracts executed June 7, 2023-August 31, 2023 and those not included in previous reports

Contracts Executed by the Agency in Accordance with Board Rule 1.16

Division Unit	Contract #	Performing Agent	Description	Active Date	Total \$
515G FAS	29141	Sul Ross State University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29142	Texas A&M International University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29143	Texas A&M University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29146	Texas A&M University - Central Texas	Program Participation Agreement	8/15/2023	0.00
515G FAS	29147	Texas A&M University at Galveston	Program Participation Agreement	8/15/2023	0.00
515G FAS	29148	Texas A&M University-Commerce	Program Participation Agreement	8/15/2023	0.00
515G FAS	29149	Texas A&M University-Kingsville	Program Participation Agreement	8/15/2023	0.00
515G FAS	29150	Texas A&M University-Corpus Christi	Program Participation Agreement	8/15/2023	0.00
515G FAS	29151	Texas A&M University-San Antonio	Program Participation Agreement	8/15/2023	0.00
515G FAS	29152	Texas A&M University-Texarkana	Program Participation Agreement	8/15/2023	0.00
515G FAS	29154	Texas Southern University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29155	Texas State University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29156	Texas Tech University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29159	Texas Woman's University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29160	The University of Texas at Arlington	Program Participation Agreement	8/15/2023	0.00
515G FAS	29161	The University of Texas at Austin	Program Participation Agreement	8/15/2023	0.00
515G FAS	29162	The University of Texas at Dallas	Program Participation Agreement	8/15/2023	0.00
515G FAS	29163	The University of Texas at El Paso	Program Participation Agreement	8/15/2023	0.00
515G FAS	29164	The University of Texas at Permian Basin	Program Participation Agreement	8/15/2023	0.00
515G FAS	29165	The University of Texas at San Antonio	Program Participation Agreement	8/15/2023	0.00
515G FAS	29166	The University of Texas at Tyler	Program Participation Agreement	8/15/2023	0.00
515G FAS	29167	University of Houston	Program Participation Agreement	8/15/2023	0.00
515G FAS	29168	University of Houston -Clear Lake	Program Participation Agreement	8/15/2023	0.00
515G FAS	29169	University of Houston-Downtown	Program Participation Agreement	8/15/2023	0.00
515G FAS	29170	University of Houston -Victoria	Program Participation Agreement	8/15/2023	0.00
515G FAS	29171	University of North Texas	Program Participation Agreement	8/15/2023	0.00
515G FAS	29172	University of North Texas at Dallas	Program Participation Agreement	8/15/2023	0.00
515G FAS	29173	West Texas A&M University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29174	University of Texas Rio Grande Valley	Program Participation Agreement	8/15/2023	0.00
515G FAS	29175	Texas A&M Health Science Center	Program Participation Agreement	8/15/2023	0.00
515G FAS	29176	Texas Tech University Health Sciences Center	Program Participation Agreement	8/15/2023	0.00
515G FAS	29177	The University of Texas Health Science Center at Houston	Program Participation Agreement	8/15/2023	0.00
515G FAS	29178	The University of Texas Health Science Center at San Antonio	Program Participation Agreement	8/15/2023	0.00
515G FAS	29179	The University of Texas M.D. Anderson Cancer Center	Program Participation Agreement	8/15/2023	0.00
515G FAS	29180	The University of Texas Medical Branch at Galveston	Program Participation Agreement	8/15/2023	0.00
515G FAS	29181	The University of Texas Southwestern Medical Center	Program Participation Agreement	8/15/2023	0.00
515G FAS	29182	University of North Texas Health Science Center at Fort Worth	Program Participation Agreement	8/15/2023	0.00
515G FAS	29183	Texas Tech Univ Health SC - El Paso (774)	Program Participation Agreement	8/15/2023	0.00
515G FAS	29184	Texas State Technical College-Waco	Program Participation Agreement	8/15/2023	0.00
515G FAS	29185	Lamar Institute of Technology	Program Participation Agreement	8/15/2023	0.00
515G FAS	29186	Lamar State College-Orange	Program Participation Agreement	8/15/2023	0.00
515G FAS	29187	Lamar State College-Port Arthur	Program Participation Agreement	8/15/2023	0.00
515G FAS	29188	Ablene Christian University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29190	Austin College	Program Participation Agreement	8/15/2023	0.00
515G FAS	29191	Baylor University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29192	Concordia University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29193	Criswell College	Program Participation Agreement	8/15/2023	0.00
515G FAS	29194	Dallas Baptist University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29195	East Texas Baptist University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29196	Hardin-Simmons University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29197	Houston Christian University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29198	Howard Payne University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29199	Huston-Tillotson University	Program Participation Agreement	8/16/2023	0.00
515G FAS	29200	Jacksonville College	Program Participation Agreement	8/15/2023	0.00
515G FAS	29201	Jarvis Christian College	Program Participation Agreement	8/15/2023	0.00
515G FAS	29202	Letourneau University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29203	Lubbock Christian University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29204	McMurry University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29205	Our Lady of The Lake University of San Antonio	Program Participation Agreement	8/15/2023	0.00
515G FAS	29206	Parker University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29209	Rice University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29210	Schreiner University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29211	South Texas College of Law	Program Participation Agreement	8/15/2023	0.00
515G FAS	29212	Southern Methodist University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29213	Southwestern Adventist University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29214	Southwestern Assemblies of God University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29215	Southwestern Christian College	Program Participation Agreement	8/31/2023	0.00
515G FAS	29216	Southwestern University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29217	St. Edward's University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29218	St. Mary's University of San Antonio	Program Participation Agreement	8/15/2023	0.00
515G FAS	29219	Texas Chiropractic College	Program Participation Agreement	8/15/2023	0.00
515G FAS	29220	Texas Christian University	Program Participation Agreement	8/15/2023	0.00

Contracts Executed by the Agency in Accordance with Board Rule 1.16

Division Unit	Contract #	Performing Agent	Description	Active Date	Total \$
515G FAS	29221	Texas College	Program Participation Agreement	8/15/2023	0.00
515G FAS	29222	Texas Lutheran University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29223	Texas Wesleyan University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29224	Trinity University	Program Participation Agreement	8/16/2023	0.00
515G FAS	29225	University of Dallas	Program Participation Agreement	8/15/2023	0.00
515G FAS	29226	University of Mary Hardin-Baylor	Program Participation Agreement	8/15/2023	0.00
515G FAS	29227	University of St Thomas	Program Participation Agreement	8/15/2023	0.00
515G FAS	29228	University of the Incarnate Word	Program Participation Agreement	8/15/2023	0.00
515G FAS	29229	Wayland Baptist University	Program Participation Agreement	8/15/2023	0.00
515G FAS	29230	Wiley College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29231	Alvin Community College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29232	Amarillo College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29233	Angelina College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29234	Austin Community College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29235	Blinn College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29236	Brazosport College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29237	Central Texas College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29238	Cisco College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29239	Clarendon College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29240	Coastal Bend College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29241	College of the Mainland	Program Participation Agreement	8/16/2023	0.00
515G FAS	29242	Collin County Community College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29243	Del Mar College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29244	El Paso County Community College District	Program Participation Agreement	8/16/2023	0.00
515G FAS	29245	Frank Phillips College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29246	Galveston College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29247	Grayson College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29248	Hill College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29249	Houston Community College System	Program Participation Agreement	8/16/2023	0.00
515G FAS	29250	Kilgore College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29251	Howard College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29252	Laredo Community College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29253	Lee College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29254	Lone Star College System	Program Participation Agreement	8/16/2023	0.00
515G FAS	29255	McLennan Community College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29256	Midland College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29257	Navarro College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29258	Alamo Community College District (Northeast Lakeview College)	Program Participation Agreement	8/16/2023	0.00
515G FAS	29259	North Central Texas Community College District	Program Participation Agreement	8/16/2023	0.00
515G FAS	29260	Northeast Texas Community College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29261	Northwest Vista College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29262	Odessa College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29263	Palo Alto College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29264	Panola College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29265	Paris Junior College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29266	Ranger College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29267	San Antonio College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29268	San Jacinto College District	Program Participation Agreement	8/16/2023	0.00
515G FAS	29270	South Plains College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29271	South Texas College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29272	Southwest Texas Junior College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29273	St. Philip's College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29274	Tarrant County College District	Program Participation Agreement	8/16/2023	0.00
515G FAS	29275	Temple College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29276	Texarkana College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29277	Texas Southmost College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29278	Trinity Valley Community College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29279	Tyler Junior College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29280	Vernon College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29281	Victoria College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29282	Weatherford College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29283	Western Texas College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29284	Wharton County Junior College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29285	Dallas College	Program Participation Agreement	8/16/2023	0.00
515G FAS	29314	Mothers Against Drunk Driving	Program Participation Agreement	8/16/2023	0.00
515G FAS	29315	Texas Cotton Producers, Inc.	Program Participation Agreement	8/16/2023	0.00
515G FAS	29317	Capitol Area Council-Boy Scouts of America	Program Participation Agreement	8/28/2023	0.00
515G FAS	29319	A Career In Teaching ACP	Program Participation Agreement	8/16/2023	0.00
515G FAS	29321	Region I-Edu Service Center	Program Participation Agreement	8/16/2023	0.00
515G FAS	29323	Region X-Edu Service Center	Program Participation Agreement	8/16/2023	0.00
515G FAS	29326	Region XIII- Edu Service Center	Program Participation Agreement	8/16/2023	0.00
515G FAS	29327	Region XIV- Edu Service Center	Program Participation Agreement	8/16/2023	0.00

Contracts executed June 7, 2023-August 31, 2023 and those not included in previous reports

Contracts Executed by the Agency in Accordance with Board Rule 1.16

Division Unit	Contract #	Performing Agent	Description	Active Date	Total \$
515G FAS	29330	Region XX-Edu Service Center	Program Participation Agreement	8/16/2023	0.00
515G FAS	29332	Region VII-Edu Service Center	Program Participation Agreement	8/16/2023	0.00

# Agency Operations Committee

## AGENDA ITEM IV-B

### Update on the Agency Cybersecurity Framework

RECOMMENDATION: No action required

#### Background Information:

The Information Security Office (ISO) 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, ISO publishes a Key Security Initiatives Implementation Roadmap at the beginning of each fiscal year to share the vision, help secure resources, and track progress.

During this presentation, the Board will receive updates on the progress made during FY 2023 and the FY 2024 Key Security Initiatives Implementation Roadmap.

Zhenzhen Sun, Assistant Commissioner/Chief Information Security Officer, will present this item and be available to answer questions.

# Agency Operations Committee

## AGENDA ITEM V-A

### Review of the “Fiscal Year 2023 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 fourth quarter of Fiscal Year 2023 (FY 23).
  - September 1, 2022, through August 31, 2023
- The report is distributed to agency executive management monthly.
- Report overview:
  - Budget adjustments are primarily related to carrying forward unexpended balances from FY 22 into FY 23.
  - College Access Loan borrower level volume is approximately the same compared to the previous year’s level.
  - This report reflects the strategy structure as outlined in the General Appropriations Act from the 87th Legislature.
  - September 1, 2023 starts the 2024-25 biennium and future reports will be based off the recently adopted operating budget and the structure outlined in the General Appropriations Act from the 88<sup>th</sup> Legislature.

Mr. Anthony Infantini, Chief Financial Officer, will present this item and be available to answer any questions.

# Agency Operations Committee

## AGENDA ITEM VI-A

Discussion on “An Audit Report on the Distribution of the National Research University Fund” issued in August 2023 by the Texas State Auditor's Office

RECOMMENDATION: No action required

### Background Information:

The Texas State Auditor’s Office (SAO) issued a report on the Distribution of the National Research University Fund (NRUF) in August 2023. The SAO’s report indicated that The University of Texas at San Antonio (UTSA) met the eligibility requirements for receiving NRUF because it expended at least \$45 million in restricted research funds in Fiscal Years 2021 and 2022, and it met 4 of the other 6 criteria for eligibility.

The SAO determined that the Texas Higher Education Coordinating Board (Coordinating Board) had processes for collecting information from institutions of higher education to determine whether they met the eligibility requirements to receive funds from the NRUF. The Coordinating Board’s certification report was accurate and supported UTSA’s eligibility based on the self-reported information. This recommendation was not related to the NRUF.

Lastly, the SAO determined that the Coordinating Board fully implemented a prior recommendation from SAO Report 23-025, issued in April 2023, related to the College Access Loan Program. This recommendation was not related to the NRUF.

The final report is attached for reference.

Representatives from SAO will present this item and be available for questions.





# The Distribution of the National Research University Fund

- The University of Texas at San Antonio (University) reported expenditures to the Higher Education Coordinating Board (Coordinating Board) for fiscal years 2021 and 2022 that met the requirements established for the National Research University Fund.
- The University met four of the six other criteria to be eligible for the National Research University Fund for fiscal years 2021 and 2022.

Lisa R. Collier, CPA, CFE, CIDA  
State Auditor

The University of Texas at San Antonio (University) met the eligibility requirements for receiving National Research University Fund appropriations because it expended at least \$45 million in restricted research funds in fiscal years 2021 and 2022, and it met 4 of the other 6 criteria for eligibility.

Additionally, the Higher Education Coordinating Board (Coordinating Board) had processes for collecting information from institutions of higher education to determine whether they met the eligibility requirements to receive funds from the National Research University Fund.

- [Background](#) | p. 3
- [Audit Objective](#) | p. 12

*This audit was conducted in accordance with Texas Education Code, Section 62.146.*

## LOW

### RESTRICTED RESEARCH EXPENDITURES

The University met the National Research University Fund eligibility requirements related to restricted research expenditures.

[Chapter 1-A | p. 5](#)

## LOW

### OTHER ELIGIBILITY CRITERIA

As required, the University met four of the six other criteria to be eligible for the National Research University fund for fiscal years 2021 and 2022.

[Chapter 1-B | p. 7](#)

## NOT RATED

### PRIOR AUDIT RECOMMENDATION FOR THE UNIVERSITY

The University fully implemented a prior recommendation addressed to it related to strengthening its processes for reporting expenditures.

[Chapter 1-C | p. 9](#)

**LOW****THE COORDINATING BOARD'S PROCESSES**

The Coordinating Board used the most recently available data when it performed its annual analysis for its certification report.

[Chapter 2-A / p. 10](#)

**NOT RATED****PRIOR AUDIT RECOMMENDATION FOR THE COORDINATING BOARD**

The Coordinating Board fully implemented a prior recommendation addressed to it related to its College Access Loan Program.

[Chapter 2-B / p. 11](#)

## Ratings Definitions

Auditors used professional judgment and rated the audit findings identified in this report. The issue ratings identified for each chapter were determined based on the degree of risk or effect of the findings in relation to the audit objective.

**PRIORITY:** Issues identified present risks or effects that if not addressed could ***critically affect*** the audited entity's ability to effectively administer the program(s)/function(s) audited. Immediate action is required to address the noted concern(s) and reduce risks to the audited entity.

**HIGH:** Issues identified present risks or effects that if not addressed could ***substantially affect*** the audited entity's ability to effectively administer the program(s)/function(s) audited. Prompt action is essential to address the noted concern(s) and reduce risks to the audited entity.

**MEDIUM:** Issues identified present risks or effects that if not addressed could ***moderately affect*** the audited entity's ability to effectively administer the program(s)/function(s) audited. Action is needed to address the noted concern(s) and reduce risks to a more desirable level.

**LOW:** The audit identified strengths that support the audited entity's ability to administer the program(s)/function(s) audited or the issues identified do not present significant risks ***or*** effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.

For more on the methodology for issue ratings, see [Report Ratings](#) in Appendix 1.

## Background Information

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### National Research University Fund

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The Texas Constitution, Article 7, Section 20, established the National Research University Fund to provide eligible higher education institutions with funds to support increased research capacity.

The Higher Education Coordinating Board (Coordinating Board) establishes the criteria for eligibility to receive those funds. Each fiscal year, the Coordinating Board is required to certify to the Legislature and the Office of the Comptroller of Public Accounts that it has verified information regarding higher education institutions' eligibility to receive National Research University Fund appropriations.

Texas Education Code, Section 62.146(c), specifies that both the information higher education institutions report to the Coordinating Board and the Coordinating Board's certifications are subject to a mandatory audit by the State Auditor's Office.

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**To be eligible to receive funds from the National Research University Fund, higher education institutions must meet certain eligibility requirements.**

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The eligibility requirements for receiving an appropriation from the National Research University Fund include:

- Designation as an emerging research university;
- Expending at least \$45 million in restricted research funds in each of the 2 state fiscal years preceding the state fiscal year for which the appropriation is made; and
- Satisfying at least four of the following six criteria:

- Having endowment funds of at least \$400 million in each of the 2 state fiscal years preceding the state fiscal year for which the appropriation is made.
- Awarding at least 200 doctor of philosophy degrees in each of the 2 academic years preceding the state fiscal year for which the appropriation is made.
- Having an entering freshman class of high academic achievement in each of the two academic years preceding the state fiscal year for which the appropriation is made.
- Being a member of a nationally recognized research or scholarly institution (such as the Association of Research Libraries or applicable honor societies).
- Having high quality faculty, as defined by the Coordinating Board, in the preceding two academic years.
- Demonstrating a commitment to high-quality graduate education, as defined by the Coordinating Board, in the preceding two academic years.

See [Appendix 2](#) for more information about the requirements.



## DETAILED RESULTS

**LOW**

### Chapter 1-A Restricted Research Expenditures

The University of Texas at San Antonio (University) met the eligibility requirements to receive a distribution from the National Research University Fund because it expended at least \$45 million in restricted research funds in each of fiscal years 2021 and 2022, and met 4 of the 6 other criteria (see [Chapter 1-B](#) for more information about the results of testing other criteria), according to information it provided to the Higher Education Coordinating Board (Coordinating Board).

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**The University reported expenditures to the Coordinating Board for fiscal years 2021 and 2022 that met the requirements established for the National Research University Fund.**

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In fiscal year 2023, the University reported \$48 million in expenditures for restricted research for fiscal year 2021, and it reported \$50 million in expenditures for fiscal year 2022 (see Figure 1 on the next page). Auditors identified \$1,047 in the reported expenditures for fiscal year 2022 that were unallowable according to the Coordinating Board's criteria. Specifically, one award with expenditures totaling \$1,047 in fiscal year 2022 had not been submitted to the Coordinating Board, and therefore had not been classified as restricted research. The University asserted that it would submit that award to the Coordinating Board in fiscal year 2024.

Figure 1

***Summary of the University's Compliance With Expenditures Criteria  
for the National Research University Fund***

Fiscal Year	Reported Amount	Unallowable Expenditures	Updated Amount
2021	\$48,545,003	Not applicable <sup>a</sup>	\$48,545,003
2022	\$50,278,572	\$1,047	\$50,277,525

<sup>a</sup> In fiscal year 2022, the University reported \$58 million in expenditures for restricted research for fiscal year 2021. In *An Audit Report on the Distribution of the National Research University Fund* (SAO Report No. 23-003, October 2022), auditors identified unallowable expenditures, reducing the total restricted research expenditures to \$48 million. For the 2023 National Research University Fund report, the University reported expenditures for fiscal year 2021 that matched the adjusted amount of \$48 million; therefore, auditors did not test expenditures for fiscal year 2021 for this report.

Sources: The Coordinating Board's *National Research University Fund Eligibility* report for September 1, 2021, through August 31, 2022, and the University's expenditure data from its financial system (UTShare/PeopleSoft) for fiscal years 2021 and 2022.



## Chapter 1-B Other Eligibility Criteria

The University met other criteria to be eligible for the National Research University Fund for fiscal years 2021 and 2022.

The University reported to the Coordinating Board in fiscal year 2023 that it had met the other eligibility requirements necessary to qualify for the National Research University Fund. (See [Appendix 2](#) for more information about the requirements.) Auditors tested and verified the University’s compliance with the other statutory and Coordinating Board requirements that were in effect during fiscal years 2021 and 2022. Figure 2 summarizes the University’s compliance with the other eligibility criteria for the National Research University Fund.

Figure 2

### *Summary of the University’s Compliance With Other Eligibility Criteria for the National Research University Fund*

Other Eligibility Criteria	Fiscal/ Academic Year 2021	Fiscal/ Academic Year 2022	Met Eligibility Requirements?	Requirement Description
Freshman Class of High Academic Achievement	55 percent	51 percent	Yes	At least 50 percent of the higher education institution’s first-time entering freshman class students must be in the top 25 percent of their high school class.
Institutional Recognition of Research Capabilities and Scholarly Attainment	Phi Kappa Phi	Phi Kappa Phi	Yes	A university must be designated as a member of the Association of Research Libraries, have a Phi Beta Kappa Chapter, or be a member of Phi Kappa Phi.
High-quality Faculty	5 National Academy Members	5 National Academy Members	Yes	There must be five or more recognitions of national or international distinction of tenured/tenure-track faculty through membership in one of the National Academies <sup>a</sup> or in the American Academy of Arts and Sciences, or through receiving a Nobel Prize.

Other Eligibility Criteria	Fiscal/ Academic Year 2021	Fiscal/ Academic Year 2022	Met Eligibility Requirements?	Requirement Description
High-quality Graduate Education	<ul style="list-style-type: none"> <li>95 Graduate Level Programs</li> <li>73 percent Master's Graduation Rate</li> <li>62 percent Doctoral Graduation Rate</li> </ul>	<ul style="list-style-type: none"> <li>94 Graduate Level Programs</li> <li>80 percent Master's Graduation Rate</li> <li>68 percent Doctoral Graduation Rate</li> </ul>	Yes	<ul style="list-style-type: none"> <li>The number of graduate-level programs at the institution must be equal to or greater than 50.</li> <li>The master's graduation rate at the institution must be 56 percent or higher.</li> <li>The doctoral graduation rate must be 58 percent or higher.</li> <li>In addition, the higher education institution must demonstrate that the overall commitment to five doctoral degree programs, including the financial support for doctoral degree students, is competitive with that of comparable high-quality programs at public institutions in the Association of American Universities.</li> </ul>
Endowment Funds of at Least \$400 Million	Not Applicable	Not Applicable	Not Applicable	The University did not choose to apply for a determination of eligibility for this requirement.
Awarded at Least 200 Doctor of Philosophy Degrees	Not Applicable	Not Applicable	Not Applicable	The University did not choose to apply for a determination of eligibility for this requirement.
<sup>a</sup> This includes the National Academy of Sciences, National Academy of Engineering, and National Academy of Medicine.				

Sources: Texas Administrative Code, Title 19, Sections 15.43(b)(3)(C)(i), 15.43(b)(3)(D), 15.43(b)(3)(E)(i), and 15.43(b)(3)(F); and student information data from the University for academic years 2021 and 2022.



**NOT RATED**

## Chapter 1-C

### Prior Audit Recommendation for the University



The University fully implemented<sup>1</sup> corrective action in response to a recommendation in a prior audit report.

The recommendation in Chapter 1-A of [An Audit Report on the Distribution of the National Research University Fund](#) (SAO Report No. 23-003, October 2022) stated:

*The University should strengthen its processes to ensure that only allowable expenditures are reported as restricted research funds to the Coordinating Board.*

The University added functionality to its project routing system that allows for specific criteria related to the National Research University Fund to be selected when a research project is being set up in its financial management system. This helps ensure that the projects, and their expenditures, qualify as restricted research. The University also established a new process for approving research cost centers. Auditors observed the routing and workflow for that process, as University staff demonstrated the added functionality, including at which point and how the specific criteria is selected.

Additionally, prior to submitting its restricted research expenditure information to the Coordinating Board in fiscal year 2023, University staff performed a comprehensive review to verify that all expenditures reported were properly classified as restricted research.

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<sup>1</sup> Fully implemented is defined as the successful development and use of a process, system, or policy to implement a recommendation.

## Chapter 2-A

**LOW****The Coordinating Board's  
Processes**

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**The Coordinating Board had processes for collecting and analyzing information that the University reported related to the National Research University Fund eligibility requirements.**

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The Coordinating Board's certification report to the Texas Legislature and the Office of the Comptroller of Public Accounts was accurate and supported based on the self-reported information the University provided. Specifically, the Coordinating Board used the most recently available data that the University submitted when it performed its annual analysis for its certification report (see text box for more information about the certification report requirement).

As noted in Chapters 1-A and 1-B:

- The expenditures that the University reported matched the expenditures the Coordinating Board reported in its 2023 National Research University Fund report.
- Auditor recalculations and testing determined that the calculations and information reported related to the other eligibility criteria were accurate.

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**Certification Report Requirements**

Texas Education Code, Section 62.146, requires the Coordinating Board to perform an annual analysis and report to the Legislature and the Office of the Comptroller of Public Accounts on the higher education institutions that meet or will meet the minimum requirements to become eligible to receive distributions from the National Research University Fund. That report is based on verified information the higher education institution submitted to the Coordinating Board.

**NOT RATED**

## Chapter 2-B

### Prior Audit Recommendation for the Coordinating Board



The Coordinating Board fully implemented<sup>2</sup> corrective action in response to a recommendation in a prior audit report.

The recommendation in Chapter 1 of [An Audit Report on the College Access Loan Program at the Higher Education Coordinating Board](#) (SAO Report No. 23-025, April 2023) stated:

*The Coordinating Board should develop, implement, and document a requirement to review error reports from HELMS [Higher Education Loan Management System] within a specified time period to ensure that accounts are updated timely.*

The Coordinating Board developed a new policy requiring that (1) two types of error reports be run and (2) a review of the reason for the error be documented for each account appearing on the reports. For the 13 error reports tested<sup>3</sup>, the Coordinating Board followed the new policy by reviewing the reports at least twice per week and documenting the reviews, including noting the actions taken or indicating that no action was required.

<sup>2</sup> Fully implemented is defined as the successful development and use of a process, system, or policy to implement a recommendation.

<sup>3</sup> Auditors selected nonstatistical, random samples from the population of the two error reports run and reviewed between March and June 2023. The sample design was chosen to ensure that the samples were representative of the population; therefore, the test results may be projected to the population, but the accuracy of the projections cannot be measured.



# APPENDICES

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## Appendix 1

### Objective, Scope, and Methodology

#### Objective

The objective of this audit was to determine whether the institution of higher education, as identified by the Higher Education Coordinating Board (Coordinating Board), is eligible to receive distributions from the National Research University Fund, based on criteria established in the Texas Education Code and any other applicable requirements.

The following members of the State Auditor's staff performed the audit:



- Krista L. Steele, MBA, CPA, CFE, CECFE, CIA, CGAP (Project Manager)
- Scott Labbe, CPA (Assistant Project Manager)
- David Hinojosa, CIA, CFE, CFI
- Robert Pagenkopf, MBA, CFE
- Dana Musgrave, MBA, CFE (Quality Control Reviewer)
- Michael Anthony Simon, MBA, CGAP (Audit Manager)

#### Scope

The scope of this audit covered The University of Texas at San Antonio's (University's) National Research University Fund eligibility, as well as the Coordinating Board's processes, from September 1, 2020, to August 31, 2022. The scope also included a review of significant internal control components related to the University's restricted funds awarded and expenditure of those funds.

The scope also included the corrective actions that the University and the Coordinating Board implemented to address recommendations from [An Audit Report on the Distribution of the National Research University Fund](#) (SAO Report No. 23-003, October 2022) and [An Audit Report on the College Access Loan Program at the Higher Education Coordinating Board](#) (SAO Report No. 23-025, April 2023).

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## Methodology

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We conducted this performance audit from May 2023 through August 2023 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 conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. In addition, during the audit, matters not required to be reported in accordance with *Government Auditing Standards* were communicated to University and Coordinating Board management for consideration.

### Addressing the Audit Objectives

During the audit, we performed the following:

- Determined whether the Coordinating Board’s *National Research University Fund Eligibility* report for September 1, 2021, through August 31, 2022, was complete, accurate, and compiled using the most recent self-reported data from the University by:
  - Interviewing the Coordinating Board’s management and staff about its process for compiling and preparing the report.
  - Reviewing the queries the Coordinating Board used to pull the self-reported data.
  - Comparing that data to the information in the report.
- Determined whether the University reported restricted research expenditures in compliance with the Coordinating Board’s *Standards and Accounting Methods for Reporting Restricted Research Expenditures* by:
  - Testing the nonstatistical payroll and non-payroll samples described in Figure 3 on the next page to determine whether they were supported, allowable, and within the correct time period.
  - Identifying all awards related to restricted research expenditures in fiscal years 2021 and 2022 and comparing them to the Board’s list of restricted research awards for which universities can report

expenditures to qualify for a distribution from the National Research University Fund.

- Determined whether the University met the four optional criteria by testing the nonstatistical samples described in Figure 3 to determine whether they met the eligibility requirements.

Figure 3 identifies the sampling methodologies used for testing restricted research expenditures. Auditors selected a nonstatistical sample of restricted research expenditures, primarily through random selection; the sample design was chosen to ensure that the samples were representative of the expenditure categories within the population. In those cases, test results may be projected to the expenditure categories, but the accuracy of the projection cannot be measured. For non-payroll transactions, auditors selected additional restricted research expenditures based on risk. Those sample items generally were not representative of the population; therefore, it would not be appropriate to project those test results to the population.

Figure 3

### *Restricted Research Expenditures*

#### *Total Populations and Samples Selected for Fiscal Year 2022 <sup>a</sup>*

Description	Population		Sample		Methodology
	Count	Amount	Count	Amount	
Total Expenditures <sup>b</sup>	77,857	\$50,365,913	Not applicable	Not applicable	Not applicable
Payroll Expenditures	53,510	\$24,632,456	25	\$36,125	Random
Non-Payroll Expenditures	24,347	\$25,733,457	60	\$99,486	Random
Non-Payroll Expenditures	24,347	\$25,733,457	18	\$2,336,859	Directed

<sup>a</sup> In *An Audit Report on the Distribution of the National Research University Fund* (SAO Report No. 23-003, October 2022), auditors tested the University's restricted research expenditures and other criteria for fiscal year 2021; therefore, auditors relied on that work and tested only fiscal year 2022 information for this report.

<sup>b</sup> The University reported \$50,278,572 in total restricted research expenditures for fiscal year 2022. The population for sampling was \$87,341 more than that amount because the University made manual adjustments to its restricted research expenditure data before submission to the Coordinating Board. However, in reconciling the restricted research expenditure data, auditors identified errors related to those adjustments and selected the samples from the auditor-adjusted total.

Figure 4 identifies the sampling methodologies used for testing other eligibility requirements. Auditors selected a nonstatistical sample of other eligibility requirements, primarily through random selection; the sample design was chosen to ensure that the samples were representative of the population. In those cases, test results may be projected to the population, but the accuracy of the projection cannot be measured. For freshman students that were in the top 25 percent of their high school class, auditors selected an additional student based on risk. That sample item was not representative of the population; therefore, it would not be appropriate to project that test result to the population.

Figure 4

### *Other Eligibility Criteria*

#### *Total Populations and Samples Selected for Fiscal Year 2022 <sup>a</sup>*

Description	Population	Sample	Methodology
Top 25 Percent Freshman Class	2,762	68	Random <sup>b</sup>
Top 25 Percent Freshman Class	2,762	1	Risk-based <sup>c</sup>
Graduated Students – Master’s	749	25	Random
Graduated Students – Doctoral	113	12	Random

<sup>a</sup> In *An Audit Report on the Distribution of the National Research University Fund* (SAO Report No. 23-003, October 2022), auditors tested the University’s restricted research expenditures and other criteria for fiscal year 2021; therefore, auditors relied on that work and tested only fiscal year 2022 information for this report.

<sup>b</sup> Among the population of the first-time-entering freshman class, some students had enough college credits (due to advanced placement exams, dual-credit high school courses, etc.) to be classified as sophomores, juniors, or seniors. Auditors stratified the population between those classifications and selected 25 freshmen, 25 sophomores, 17 juniors, and 1 senior. The freshmen, sophomores, and juniors were randomly selected. Because there was only 1 senior, that student was selected.

<sup>c</sup> One student in the population was identified in the University’s data as ranking within the top 25 percent of their high school class, but that student was not within the top 25 percent according to the Board’s data. Auditors selected that student for testing to determine the reliability of the data sets.

### Data Reliability and Completeness

Auditors determined the reliability of data by (1) interviewing University management about the data and (2) reviewing data for validity and completeness. Auditors determined that the following data sets were sufficiently reliable for the purposes of the audit:

- Expenditure data for fiscal years 2021 and 2022.
- Student information, including enrollment date, graduation date, and high school class ranking.

### Report Ratings

In determining the ratings of audit findings, auditors considered factors such as financial impact; potential failure to meet program/function objectives; noncompliance with state statute(s), rules, regulations, and other requirements or criteria; and the inadequacy of the design and/or operating effectiveness of internal controls. In addition, evidence of potential fraud, waste, or abuse; significant control environment issues; and little to no corrective action for issues previously identified could increase the ratings for audit findings. Auditors also identified and considered other factors when appropriate.



## Appendix 2

# National Research University Fund Eligibility Requirements

The Texas Education Code, Section 62.146, requires the Coordinating Board to certify verified information related to criteria used in determining higher education institutions' eligibility to receive funds from the National Research University Fund. In addition, both the information that higher education institutions submit to the Coordinating Board to establish National Research University Fund eligibility and the Coordinating Board's certification or verification of that information are subject to a mandatory audit by the State Auditor in accordance with Texas Government Code, Chapter 321. The following excerpts from Texas Administrative Code, Title 19, Section 15.43, outline the eligibility criteria:

(a) The eligibility criteria for a general academic teaching institution to receive distributions from the National Research University Fund include: having an entering freshman class of high academic achievement; receiving recognition of research capabilities and scholarly attainment of the institution; having a high-quality faculty; and demonstrating commitment to high-quality graduate education.

(b) A general academic teaching institution is eligible to receive an initial distribution from the Fund appropriated for each state fiscal year if:

(1) the institution is designated as an emerging research university under the coordinating board's accountability system;

(2) in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made, the institution expended at least \$45 million in restricted research funds; and

(3) the institution satisfies at least four of the following six criteria:

(A) the value of the institution's endowment funds is at least \$400 million in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made;

(B) the institution awarded at least 200 doctor of philosophy degrees during each of the two academic years preceding the state fiscal year for which the appropriation is made;

(C) in each of the two academic years preceding the state fiscal year for which the appropriation is made, the entering freshman class of the institution demonstrated high academic achievement as reflected in the following criteria:

(i) At least 50 percent of the first-time entering freshman class students at the institution are in the top 25 percent of their high school class; or

(ii) The average SAT score of first-time entering freshman class students at or above the 75th percentile of SAT scores was equal to or greater than 1210 prior to fall 2017, consisting of the Critical Reading (CR) and Mathematics (M) Components, or equal to or greater than 1280 starting with fall 2017, consisting of the Evidence-Based Reading and Writing (ERW) and Mathematics (M) Components, or the average ACT score of first-time entering freshman class students at or above the 75th percentile of ACT scores was equal to or greater than 26; and

(iii) The composition of the institution's first-time entering freshman class demonstrates progress toward reflecting the population of the state or the institution's region with respect to underrepresented students and shows a commitment to improving the academic performance of underrepresented students. One way in which this could be accomplished is by active participation in one of the Federal TRIO Programs, such as having one or more McNair Scholars in a particular cohort.

(D) the institution is designated as a member of the Association of Research Libraries, has a Phi Beta Kappa chapter, or is a member of Phi Kappa Phi;

(E) in each of the two academic years preceding the state fiscal year for which the appropriation is made, the faculty of the institution was of high quality as reflected in the following:

(i) There must be five or more recognitions of national or international distinction of tenured/tenure-track faculty through membership in one of the National Academies (including National Academy of Sciences, National Academy of Engineering, and National Academy of Medicine), the American Academy of Arts and Sciences, or through receiving a Nobel Prize; or

(ii) The annual number of awards of national and international distinction received by tenured/tenure-track faculty during a given academic year in any of the following categories is equal to or greater than 7 for each year.

- (I) American Academy of Nursing Fellows
- (II) American Council of Learned Societies Fellows
- (III) American Law Institute Members
- (IV) Beckman Young Investigators
- (V) Burroughs Wellcome Fund Career Award Winners
- (VI) Cottrell Scholars
- (VII) Getty Scholars in Residence
- (VIII) Guggenheim Fellows
- (IX) Howard Hughes Medical Institute Investigators
- (X) Lasker Medical Research Award Winners
- (XI) MacArthur Foundation Fellows
- (XII) Andrew W. Mellon Foundation Distinguished Achievement Award Winners
- (XIII) National Endowment for the Humanities Fellows
- (XIV) National Humanities Center Fellows
- (XV) National Institutes of Health MERIT (R37) Winners
- (XVI) National Medal of Science Winners
- (XVII) National Medal of Technology and Innovation Winners
- (XVIII) National Science Foundation CAREER Award Winners (excluding those who are also PECASE winners)

(XIX) Newberry Library Long-term Fellows

(XX) Pew Scholars in Biomedicine

(XXI) Pulitzer Prize Winners

(XXII) Presidential Early Career Awards for Scientists and Engineers (PECASE) Winners

(XXIII) Robert Wood Johnson Health Policy Fellows

(XXIV) Searle Scholars

(XXV) Sloan Research Fellows

(XXVI) Fellows of the Woodrow Wilson Center

(iii) In lieu of meeting either clause (i) or (ii) of this subparagraph, an institution may request that a comprehensive review of the faculty in five of the institution's Doctoral degree programs be conducted by external consultants selected by Coordinating Board staff in consultation with the institution and said review must demonstrate that the faculty are comparable to and competitive with faculty in similar programs at public institutions in the Association of American Universities. Costs for the review shall be borne by the institution. This review is only available if the institution has already met or, as determined by Coordinating Board staff, is on track to meet three of the other eligibility criteria listed in subparagraphs (A) - (D) of this paragraph;

(F) in each of the two academic years preceding the state fiscal year for which the appropriation is made, the institution has demonstrated a commitment to high-quality graduate education as reflected in the following:

(i) The number of Graduate-level programs at the institution is equal to or greater than 50;

(ii) The Master's Graduation Rate at the institution is 56 percent or higher and the Doctoral Graduation Rate is 58 percent or higher; and

(iii) The institution must demonstrate that the overall commitment to five Doctoral degree programs, including the financial support for Doctoral degree students, is competitive with that of comparable high-quality programs at public institutions in the Association of American Universities. The five Doctoral degree programs selected for this review must be those selected in subparagraph (E)(iii) of this paragraph or, if subparagraph (E)(iii) of this paragraph is not chosen by the institution, then any five Doctoral degree programs at the institution. Costs for the review shall be borne by the institution.

## Appendix 3

### Eligibility Determination Letter



**Lisa R. Collier,**  
CPA, CFE, CIDA,  
State Auditor

August 8, 2023

Dr. T. Taylor Eighmy, President  
The University of Texas at San Antonio  
One UTSA Circle  
San Antonio, TX 78249-0601

Subject: Eligibility for Distributions from the National Research University Fund

Dear Dr. Eighmy:

The State Auditor's Office has reviewed the report that the Higher Education Coordinating Board (Coordinating Board) submitted in May 2023 indicating that The University of Texas at San Antonio (University) met the eligibility requirements for distribution of funds from the National Research University Fund. In accordance with Texas Education Code, Section 62.146(c), the State Auditor's Office conducted the required audit of information that the University submitted to the Coordinating Board for the purposes of establishing eligibility.

The State Auditor's Office obtained reasonable assurance, through sampling, that the University met the criteria established in the Texas Education Code and by the Coordinating Board for expenditures for restricted research, freshman class of high academic achievement, institutional recognition of research capabilities and scholarly attainment, high-quality faculty, and high-quality graduate education. Therefore, the State Auditor's Office concluded that the University is eligible to receive funds from the National Research University Fund. The determination that the University met the eligibility requirements applies to those requirements as they existed during fiscal years 2021 and 2022.

If you have any questions, please contact Michael Simon, Audit Manager, or me at (512) 936-9500. We appreciate the University's assistance during this audit.

Sincerely,

Lisa R. Collier, CPA, CFE, CIDA  
State Auditor

Robert E. Johnson  
Building  
1501 N. Congress Avenue  
Austin, Texas 78701

P.O. Box 12067  
Austin, Texas 78711-2067

Phone:  
(512) 936-9500

Fax:  
(512) 936-9400

Internet:  
[www.sao.texas.gov](http://www.sao.texas.gov)



Dr. T. Taylor Eighmy, President  
The University of Texas at San Antonio  
August 8, 2023  
Page 2

cc: Members of The University of Texas System Board of Regents  
Mr. Kevin P. Eltife, Chairman  
Ms. Janiece Longoria, Vice Chairman  
Mr. James C. "Rad" Weaver, Vice Chairman  
Ms. Christina Melton Crain  
Mr. Robert P. Gauntt  
Mr. Jodie Lee Jiles  
Dr. Nolan Perez  
Mr. Stuart W. Stedman  
Mr. Kelcy L. Warren  
Mr. John Michael Austin, Student Regent  
Mr. James B. Milliken, Chancellor, The University of Texas System  
Mr. J. Michael Peppers, Chief Audit Executive, The University of Texas System  
Ms. Veronica Salazar, Senior Vice President for Business Affairs and Chief Enterprise  
Development Officer, The University of Texas at San Antonio  
Dr. Heather Shipley, Interim Provost and Senior Vice President for Academic Affairs, The  
University of Texas at San Antonio  
Dr. JoAnn Browning, Interim Vice President for Research, Economic Development, and  
Knowledge Enterprise, The University of Texas at San Antonio  
Mr. Venu Nair, Interim Chief Legal Officer, The University of Texas at San Antonio  
Mr. Paul A. Tyler, Chief Audit Executive, The University of Texas San Antonio

# Appendix 4

## Related State Auditor’s Office Reports

Figure 5

Report Number	Report Name	Release Date
<a href="#">23-025</a>	<i>An Audit Report on the College Access Loan Program at the Higher Education Coordinating Board</i>	April 2023
<a href="#">23-003</a>	<i>An Audit Report on the Distribution of the National Research University Fund</i> (For the University of Texas at San Antonio)	October 2022
<a href="#">22-007</a>	<i>An Audit Report on the Distribution of the National Research University Fund</i> (For the University of Texas at Arlington)	November 2021
<a href="#">18-036</a>	<i>An Audit Report on the Distribution of the National Research University Fund</i> (For the University of Texas at Dallas)	July 2018





Copies of this report have been distributed to the following:

## **Legislative Audit Committee**

The Honorable Dan Patrick, Lieutenant Governor, Joint Chair

The Honorable Dade Phelan, Speaker of the House, Joint Chair

The Honorable Joan Huffman, Senate Finance Committee

The Honorable Robert Nichols, Member, Texas Senate

The Honorable Greg Bonnen, House Appropriations Committee

The Honorable Morgan Meyer, House Ways and Means Committee

## **Office of the Governor**

The Honorable Greg Abbott, Governor

## **The University of Texas at San Antonio**

Members of The University of Texas System Board of Regents

Mr. James B. Milliken, Chancellor

Dr. T. Taylor Eighmy, President

## **Higher Education Coordinating Board**

Members of the Higher Education Coordinating Board

Dr. Harrison Keller, Commissioner of Higher Education



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# Agency Operations Committee

## AGENDA ITEM VI-B

### Auditor's update on Internal Audit reports and activities

RECOMMENDATION: No action required

#### Background Information:

Four reports were completed during the reporting period since the July 2023 Agency Operations Committee meeting.

#### Projects Completed

1. Review of Purchasing Cards
2. Self-Assessment of Internal Audit Work Quality at THECB for Fiscal Year 2023
3. Internal Audit Annual Report for Fiscal Year 2023 (statutorily required)
4. Internal Audit Corrective Action Status Report - October 2023 (summary report)

<b>Fiscal Year 2023 Project Status as of October 2023</b>	<b>Stage of Project</b>
Information Security - Review and Advisory Services	Planning/Fieldwork
Federal Funds Administration - Review and Advisory Services	Planning/Fieldwork
Review of State's <i>Building a Talent Strong Texas</i> Strategic Plan	Planning

#### Other Internal Audit Activities

- Collaboration regarding GEER fund administration
- Collaboration regarding Data Modernization administration
- Collaboration regarding risk management agency training updates
- Collaboration regarding CAPPS financial
- External auditor coordination
  - Financial statement audit (KPMG) Fiscal Year 2023
  - CAL Program audit (SAO)
  - NRUF audit 2023 (SAO)

Arby Gonzales, Assistant Commissioner, Internal Audit and Compliance, and Paul Maeyaert, Assistant Director, Internal Audit and Compliance, will present this item and be available to answer questions.

Fred Farias III, O.D.  
CHAIR

Donna N. Williams  
VICE CHAIR

S. Javaid Anwar  
SECRETARY OF THE BOARD

Cage M. Sawyers  
STUDENT REPRESENTATIVE

Richard L. Clemmer  
Stacy A. Hock  
Emma W. Schwartz  
Ashlie A. Thomas  
Welcome Wilson, Jr.  
Daniel O. Wong

Harrison Keller, Ph.D.  
COMMISSIONER OF HIGHER  
EDUCATION

August 31, 2023

Dr. Harrison Keller  
Commissioner of Higher Education  
1801 Congress Ave  
Austin, TX 78701

RE: *Review of Purchasing Cards*, Report No. THECB-IA-WP-23-246

Dr. Keller,

I am attaching the final report for the *Review of Purchasing Cards*, Report No. THECB-IA-WP-23-246. This final report will be presented at the October 2023 Agency Operations Committee meeting.

The issues presented in this report resulted in a Category 2 Report Rating. These reports contain some observations. While the noted observations require management attention, if addressed timely, they do not pose a significant risk for negative reputational or financial consequences.

Sincerely,



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

## **EXECUTIVE SUMMARY**

Coordinating Board purchasing card policies and procedures need further review and improvement. Purchasing card training, reconciliation, security and access processes, and documentation need strengthening.

The Coordinating Board risk assessment policies and procedures and implementation need improvement. A risk assessment covering the purchasing card area has not been completed.

### **Engagement Objective, Scope, and Methodologies**

Our engagement objective was to perform a review of the internal administrative activities of the agency purchasing/procurement cards for compliance, effectiveness, and efficiency. Our project scope focused on current processes. Our engagement included reviewing relevant statutes, rules, policies, procedures, manuals, and documentation related to the project area, and performing various testing to address the objectives. We also interviewed appropriate agency staff.

Our consideration of internal control was for the purposes described in the objective/scope section and was not designed to identify all deficiencies in internal control. This engagement for the review of purchasing cards was included as part of the 2023 Internal Audit plan.

### **Background**

The Coordinating Board processes approximately 300 credit card transactions totaling about \$43,000 per fiscal year. In 2019, purchasing cards were centralized to one area under procurement and away from being administered at the division level. In early 2023, the purchasing card function was moved from the general counsel department to the finance department along with purchasing and procurement staff. This change was to promote greater alignment and cohesion of agency functions.

### **Detailed Observations, Recommendations, and Management Responses**

#### **1. Coordinating Board purchasing card policies and procedures need further improvement and review.**

Coordinating Board purchasing card policies and procedures need further improvement and review. Procurement card training, reconciliation, access and card security processes, and documentation need strengthening. The basis of our review included THECB policies and procedures and similar policies at comparable agencies and institutions.

- A. Training:** We reviewed the current CB purchasing card policies and procedures and identified that the training policy needs improvement. Purchasing card training is not clearly defined nor provided on a consistent basis. The training for the reconciliation process is an outdated recorded training and the user card training is provided by and specific to the card lender. The reconciliation training should be updated, and the card

user training should be specific to CB processes and consistent for all card users. Both reconciliation training and card user training should be uniform and provided on a regular basis and developed into a standardized training program in policy and procedure to ensure continuity of business practices.

- B. Reconciliation:** The purchasing card reconciliation process and segregation of duties needs strengthening. The current authorization, documentation, approval, and reconciliation process is limited to the purchasing department. The same individual that makes card authorizations, inputs documentation into the CB procurement system, and reviews the information on the bank card website. Although payment is separately made by the accounts payable department, there is no separate reconciliation by accounts payable or another individual. The reconciliation process and segregation of duties should be strengthened to ensure control against single-person card authorization, documentation, approval, and reconciliation.
- C. Access and Card Security:** Policies and procedures for purchasing card access and security should be reviewed and updated. Purchasing card information is available to multiple staff because the card is issued to the department and not to an individual. The card information is currently shared via a secure folder. Although the current policy indicates that the card should be kept secure, the policy lacks specificity, such as who should have access to card information or how or where card information should be maintained. This additional specificity on security practices is needed to adequately address security issues due to access to card information by more than one person. Policies and procedures related to card access and security should be reviewed and updated to ensure card information is only available on a need-to-know basis.
- D. Documentation:** Purchasing card transaction testing indicated current policies and procedures are not being followed and need further review. In some cases, documentation practices do not follow current written policies and it is unclear if the current policies are appropriate due to changes in processes and financial systems. Testing indicated current policies and procedures were no longer being followed for documentation such as required screen print of “secure” internet sites of items purchased, signed receipts, advance payment documentation, and justifications for FY23 data (due to a recent FY23 process change). Policies and procedures related to the documentation process should be reviewed against current business processes to ensure appropriateness and continuity.

#### **Recommendations: 1A-1D**

- 1A.** The purchasing card training process should be standardized in policy and procedure.
- 1B.** The reconciliation process and segregation of duties should be strengthened to ensure control against single-person card authorization, documentation, approval, and reconciliation.
- 1C.** Policies and procedures related to card access and security should be reviewed and updated to ensure card information is only available on a need-to-know basis.

**1D.** Policies and procedures related to the documentation process should be reviewed against current business processes to ensure continuity and appropriateness.

**Management Response:**

Financial Services division staff agree with the recommendation that purchasing card policies and procedures need further improvement and review. With the implementation of the CAPPs financial system, a revised and streamlined set of purchasing card policies and procedures will be developed and followed by staff.

**Corrective Actions:** Purchasing card policies and procedures will be revised to improve various aspects, including documentation, training, reconciliation procedures, and security access. Training materials will be updated, and a mandatory training schedule will be established. We will adjust the responsibility for the reconciliation process. Rather than the Procurement team, the Accounts Payable team will be responsible for performing the reconciliation process. This realignment ensures a clear separation of duties and an additional layer of oversight.

Expected completion date: October 31, 2023

**2. Coordinating Board risk assessment policies and procedures and implementation need improvement.**

Coordinating Board risk assessment policies and procedures and implementation need improvement. A risk assessment was not completed that includes the purchasing card area. Risk assessment and management policy needs more comprehensive and consistent execution to better position the agency to identify and manage the array of risks it faces.

Although the current risk assessment and management policy identifies the importance of internal control and risk assessment and management, the execution of the policy requires strengthening.

Tools, such as a risk matrix consistent with COSO or the Green Book, (Also see 2 CFR §200.303 for Federal Grant applicability<sup>1</sup>), would enable users such as purchasing card managers to utilize the agency's Risk Management Handbook and Addendum to the Risk Management Handbook, in a more meaningful way.

**Recommendation:**

**2A.** Management should determine how to better leverage current risk assessment and management policy and training resources, to provide users a framework, such as COSO or the

---

<sup>1</sup> 2 CFR §200.303 Internal Controls. The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should follow guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller.

Green Book, and corresponding tools like the risk identification and evaluation matrix. Once tools are made more readily available, management should train staff and incorporate the use of tools in periodic assessments (such as annually for key agency processes) and use them to enhance accountability of risk management. Management should identify, analyze, and respond to risks related to achieving defined objectives. (COSO Principle 5; Green Book 5.03 and 7.01)

**Management Response:** Financial Services division staff acknowledge that a risk assessment was not completed for the purchasing card area.

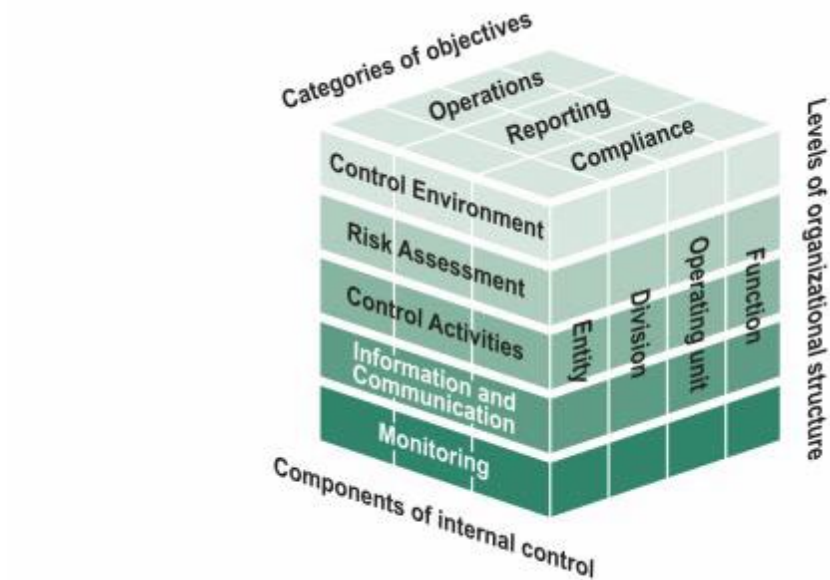
**Corrective Action:** Agency management and executive staff will work with the Internal Audit division to establish a risk assessment process led by the Internal Audit division pursuant to national and industry standards that will enable the agency to effectively identify and evaluate potential agency risks. Risks associated with procurement cards would then be evaluated relative to other potential risks. Based on the results of the purchasing card area risk assessment, agency staff will develop targeted mitigation strategies to address the identified risks.

Expected completion date: December 1, 2023



Appendix

The Components, Objectives, and Organizational Structure of Internal Control



Sources: COSO and GAO. | GAO-14-704G

**PERFORMED BY:**

Ms. Michelle Carlin, CFE, CISA, Senior Internal Auditor

c:

**THECB**

Board Members

**Commissioner's Office**

Dr. Harrison Keller, Commissioner of Higher Education

Ms. Melissa Henderson, Chief of Staff

Ms. Sarah Keyton, Associate Commissioner for Administration

Dr. David Troutman Deputy Commissioner, Academic Affairs and Workforce Education

Ms. Nichole Bunker-Henderson, General Counsel

**Financial Services**

Mr. Anthony Infantini, Chief Financial Officer

Ms. Linda Natal, Director, Procurement

**State Auditor's Office**

Audit Coordinator

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Emma W. Schwartz  
Ashlie A. Thomas  
Welcome Wilson, Jr.  
Daniel O. Wong

Harrison Keller, Ph.D.  
COMMISSIONER OF HIGHER  
EDUCATION

August 15, 2023

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 *A Follow Up of Verification of the Audit of Formula Funding-Health Related Institutions at The Higher Education Coordinating Board, THECB-IA-WP-22-241*, issued in September 19, 2022. We conducted our review using the quality assurance checklist outlined by our Internal Audit Department.

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

Sincerely,



Paul Maeyaert, JD, MBA, CIA, CGAP, CFE  
Interim Assistant Commissioner – Internal Audit and Compliance

**PERFORMED BY:**

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

cc:

**THECB**

**Board Members**

**Commissioner's Office**

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Ms. Sarah Keyton, Associate Commissioner for Administration

Dr. David Troutman Deputy Commissioner, Academic Affairs

Ms. Nichole Bunker-Henderson, General Counsel

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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

**Texas Higher  
Education  
COORDINATING BOARD**

**INTERNAL AUDIT  
ANNUAL REPORT**

**FOR**

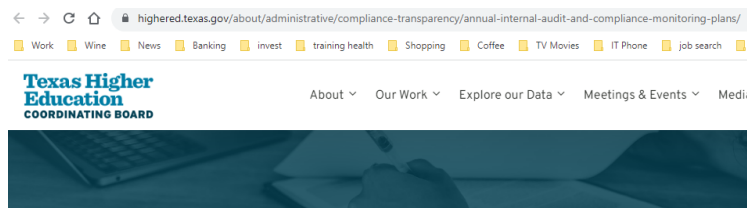
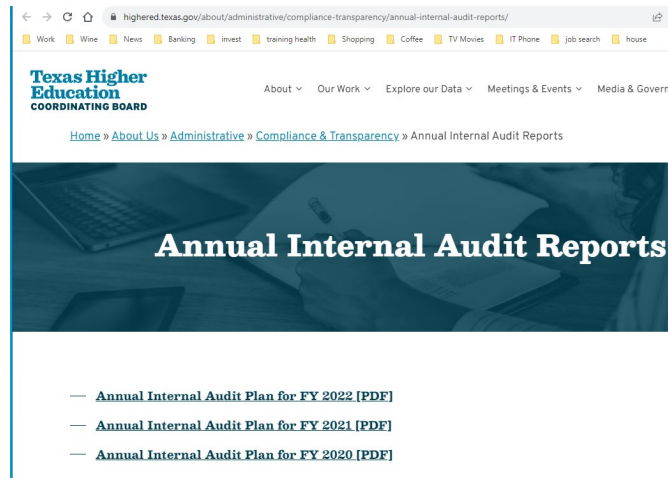
**FISCAL YEAR 2023**

## **Fiscal year 2023 Internal Audit Annual Report Table of Contents**

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## Compliance with Texas Government Code, Section 2102.015

Texas Government Code, Section 2102.015 requires state agencies to post on the agency's Internet Web site its internal audit plan, internal audit annual report, and any weaknesses or concerns resulting from the audit plan or annual report. Please see [the Annual Internal Audit Reports](#) and [Annual Internal Audit & Compliance Monitoring Plans](#). The 2023 Internal Audit Annual Report will be posted following its presentation to the board in October 2023.



### Annual Compliance Monitoring Plans

#### Annual Internal Audit Plans

- [Annual Internal Audit Plan for FY 2024 \[PDF\]](#)
- [Annual Internal Audit Plan for FY 2023 \[PDF\]](#)
- [Annual Internal Audit Plan for FY 2022 \[PDF\]](#)

## Internal Audit Plan for Fiscal Year 2023

Explanatory Information - The table below indicates the status of FY 22 planned audits, as shown on the approved audit plan, versus those accomplished during the year.

<b>Board-Approved FY 23 Audit Plan</b>	<b>Status of Audit at 8/31/23</b>
Follow Up of Prior Audits	<p>A Follow Up Review of The Audit of The Formula Funding of The Health-Related Institutions (HRI), Report No. THECB-IA-WP-233F Report date: September 19, 2022</p> <p>Internal Audit Corrective Action Status Report FY23 December 2022</p> <p>Internal Audit Follow Up Status Report April 2023</p> <p>IA Corrective Action Status Report - July 2023</p>
Federal Fund Administration-Review and Advisory Services	<p>GEER Funds Administration Review and Advisory Services - Interim Report March 2023 Continuing FY 23 work: In Progress</p>
Information Security - Review and Advisory Services	<p>Data Modernization Initiative Review and Advise –Interim Status Report March 2022 Continuing FY 23 work: In Progress</p>
Review of Purchasing/Procurement Cards,	<p>Review of Purchasing Cards, Report No. THECB-IA-WP-23-246 Report Date: August 31, 2023</p>
Review of Talent Strong Texas Strategic Plan, Report No. THECB-IA-WP-23-248	In Progress
Self-Assessment of Work Quality, Internal Audit, Report No. THECB-IA-WP-23-249	<p>Self-Assessment of Internal Audit Work Quality at THECB for Fiscal Year 2023 Report Date: August 31, 2023</p>



## **Consulting Engagements and Non-Audit Services Completed**

The Texas Higher Education Coordinating Board internal audit function performed consulting or non-audit services in fiscal year 2023.

### **1. Information Security - Review and Advisory Services**

Reviewed and advised management on the state of governance, risk and controls within and around Information Security.

### **2. Federal Funds Administration - Review and Advisory Services**

Reviewed and advised management on the state of governance, risk and controls within and around federal funds administration.

## External Quality Assurance Review (Peer Review)



# Texas Higher Education Coordinating Board

## EXTERNAL QUALITY ASSURANCE REVIEW REPORT

### INTERNAL AUDIT and COMPLIANCE DEPARTMENT

**August 2022**

Prepared by:  
Richard Tarr, CIA, CISA  
P.O. Box 560716  
Orlando, FL 32856  
Ph/Fax: 407.896.2760  
E-mail: [rtarr@racar.com](mailto:rtarr@racar.com)



## OVERVIEW

A virtual External Quality Assurance (EQA) review was conducted at the Texas Higher Education Coordinating Board (THECB), located in Austin, Texas from July 25 to July 29, 2022, for audits conducted from September 1, 2019, to June 30, 2022.

Texas Government Code § 2102 (Texas Internal Auditing Act) requires an internal audit activity to be in conformance with the Standards for the Professional Practice of Internal Auditing, the Code of Ethics, contained in the Professional Practices Framework as promulgated by the Institute of Internal Auditors (IIA), and with the Government Accountability Office's (GAO) Generally Accepted Government Auditing Standards (GAGAS). These are collectively referred to as the *Standards* in this report.

The overall objective of the EQA review was to determine the extent to which the Internal Audit and Compliance Department (IACD) at THECB is in conformance with the *Standards* and the requirements of the Texas Internal Auditing Act.

The review was performed by Richard Tarr, CIA, CISA, and Elizabeth Stepp, CPA, CIA, CGAP, CRMA who attest that they are fully qualified to conduct this EQA review, and are independent in all respects from THECB and the IACD. The reviewers utilized guidance from both the State Agency Internal Audit Forum (SAIAF) Peer Review Program's assessment tool and the IIA's 2017 "Quality Assessment Manual" which includes the scope of the work evaluations and assessments of the following areas:

- The Internal Audit and Compliance's reporting relationship and the communication the Assistant Commissioner has with the Agency Operating Committee and the Commissioner of Higher Education;
- Existing internal audit policies and procedures;
- The independence and the objectivity of the audit work performed;
- The risk assessment and annual audit planning process;
- The planning process for individual audit projects;

Texas Higher Education Coordinating Board - 2022

- The audit methodologies used in performing the work;
- A review of a representative sample of audit workpaper files and reports;
- The workpaper documentation that supports the work performed;
- The support for the conclusions and recommendations in the audit reports;
- How the results of audits are communicated;
- The procedures for following up on audit recommendations; and
- The knowledge, skills, discipline, and training of the staff.

Interviews were also conducted with selected individuals, who included, among others: the THECB Board Chair; the Chair of the Agency Operating Committee (AOC); the Commissioner of Higher Education; the Assistant Commissioner of Internal Audit and Compliance; and the IACD staff.

It is important to note that the *Standards* are expressed in terms of broad concepts and objectives rather than detailed procedures, and their application requires the exercise of professional judgment by the review team. The extent of internal audit policies and procedures and how they are implemented will depend upon several factors such as the expectations of the organization's board or governing body and senior management, the audit activity's size and organizational structure, the nature of its audit responsibilities, and its philosophy concerning the degree of operating autonomy appropriate for its staff.

The *Standards* require that this report must be sent to the Chair of the Board, the Chair of the Agency Operating Committee, and The Commissioner of Higher Education.

Texas Higher Education Coordinating Board - 2022

## OPINION

Based on the work outlined above, it is the review team's opinion concerning:

### The IIA Standards:

For the period under review, the internal audit activity at the THECB "Generally Conforms" to the IIA Standards, and the Code of Ethics. This is the top rating provided within the IIA guidance, with the others being "Partially Conforms" and "Does Not Conform". The review team has also identified opportunities for further enhancing the internal audit activity, the details of which are provided in this report.

### The GAO Standards:

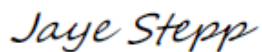
For the period under review, the IACD at the THECB has in place, in all material respects, appropriate processes and procedures to receive a Peer Review Rating of "Pass". This rating is the highest of the three ratings provided within the GAO Standards, with the other ratings being "Pass with Deficiencies", and "Fail".

### The Texas Internal Auditing Act:

As of July 29, 2022, the internal auditing activity at the THECB conforms to all requirements of the Texas Internal Auditing Act.



Richard H. Tarr, CIA, CISA  
External Quality Assurance Team Lead



Elizabeth J. Stepp, CPA, CIA, CGAP, CRMA  
External Quality Assurance Team Member

OBSERVATIONS

The Assistant Commissioner of Internal Audit and Compliance is a CPA (Certified Public Accountant), a CIA (Certified Internal Auditor), a CISA (Certified Information Systems Auditor), and a CFE (Certified Fraud Examiner) with extensive auditing experience in higher education; is effectively managing the IACD; has a good working relationship with the AOC and is well respected by senior executives at the agency. He is also well respected by the IACD staff. He reports functionally to the AOC and administratively to the Commissioner for Higher Education as required by the Texas Internal Auditing Act.

The IACD has a strong Internal Audit Charter that authorizes the staff to: have full, free, and unrestricted access to all functions, records, property, and personnel; allocate resources; have full and free access to the AOC; set audit frequencies; select audit subjects; determine the scope of work and apply the techniques required to accomplish audit objectives. All of these are requirements of the *Standards*. Also, the AOC must approve decisions regarding the appointment and removal of the IACD Assistant Commissioner. This enables the IACD to be very independent and capable of rendering objective assessments and conclusions when conducting their work. The department also has a very well-thought-out, risk-based annual audit planning process that is approved by the AOC for both internal agency audits and compliance audits at the higher educational components.

The interviews conducted with the Board Chair, the AOC Chair, and the Commissioner of Higher Education, indicated that there is strong support for the scope and type of audit work the IACD conducts. A confidential survey of IACD audit customers conducted during the review rated the department excellent and good on 18 different criteria. This is a very positive rating and speaks well of the professionalism and ability of the Assistant Commissioner and the audit staff.

Texas Higher Education Coordinating Board - 2022

A sample of audit workpapers was reviewed and verified that the conclusions and opinions communicated in the audit reports that are issued are appropriately supported. The audit projects were appropriately planned and the work performed was adequately documented following the *Standards*. There was evidence in the workpapers that the audit work was conducted at a very professional level. The audit programs were appropriately referenced in the audit steps. The tests performed during the audits and the conclusions contained in the audit reports were supported by the work documented in the workpapers. There was evidence that the workpapers are thoroughly reviewed by someone other than the person who performed the work. The Assistant Director reviews all the workpapers and the audit reports and the Assistant Commissioner reviews audit reports before they are issued.

#### OPPORTUNITIES FOR IMPROVEMENT

While the internal audit activity at THECB generally conforms to the *Standards*, the following comments and recommendations are intended to build on the foundation that is already in place to further improve the efficacy and value of the audit work being performed. These are not intended to correct any lack of conformance with the *Standards*. They are operational ideas based on the experiences of the external review team from working with other internal audit activities.

##### **1. IACD would benefit from assigning direct supervision of the Compliance Monitoring, and Federal Compliance functions.**

Currently, there is an Assistant Director that provides oversight over five Compliance Monitoring staff and two Internal Audit staff positions. The Assistant Director also provides direct supervision to three Federal Compliance Specialists. The Assistant Director position was created when the Senior Internal Auditor was promoted to allow the Assistant Commissioner the time to focus on higher-level concerns at the Board, Commissioner, and Agency levels.



Texas Higher Education Coordinating Board - 2022

However, while this has worked well in ensuring the quality of the audit and compliance work as required by the *Standards*, it has reduced the staff resources available for internal audit projects and increased the span of control and oversight responsibilities for the Assistant Director.

With a compliance monitoring staff of five, consideration should be given to alternatives to enhance oversight over the Compliance Monitoring team, to better balance the management and oversight of the internal audit and compliance functions. This would also free up time for the Assistant Director, who is a Certified Internal Auditor, to provide additional consulting assistance, as well as, provide someone in the department the opportunity to gain experience overseeing the Compliance Monitoring team.

*Response:*

*We agree that further consideration should be given to enhance oversight over the Compliance Monitoring team, to better balance the management and oversight of the internal audit and compliance functions.*

*We will continue to provide additional leadership and management responsibilities to others on the team, particularly senior members of the Compliance Monitoring team.*

**2. Provide the Agency Operations Committee and the Commissioner with a periodic summary report on the status of audit recommendations.**

Currently, IACD creates and distributes individual follow-up reports on the status of previous audit recommendations for audits and compliance projects conducted at the agency and the institutions of higher education. While the *Standards* require that the IACD follow up and report on the disposition of audit and compliance reports, preparing and distributing individual follow-up reports to the Agency Operations Committee and the Commissioner is time-consuming for the IACD.



Texas Higher Education Coordinating Board - 2022

These reports make it difficult for the board and Commissioner to get an oversight view of where there may be delays or issues that would need their attention.

It would be more efficient and effective if IACD maintained and distributed an ongoing status report that tracked all outstanding recommendations either from compliance reviews, desk reviews or agency audits to the Agency Operations Committee and the Commissioner.

This status report could be used in conjunction with individual reports as warranted, and would better enable the committee to know whether agreed-to audit recommendations are being implemented. Important elements that could be communicated include a brief description of the recommendation; the date the recommendation was agreed to be implemented; whether or not it has been implemented; and the name of the person directly responsible for implementation. Color coding could be used for the status of the implementation. "Completed" recommendations could be color coded as green, "in process" coded as yellow, and "past due" coded as red. This report would make it easier for the Agency Operations Committee and the Commissioner to stay current overall on the status of recommendations at both the agency level and at the institution of higher education level without having to read through numerous individual reports.

*Response:*

*We agree that a status report that tracks outstanding recommendations would be beneficial.*

*We are currently reviewing alternatives for reporting, with one option of including an additional section in the Internal Audit update and Compliance Monitoring update.*

**3. The THECB needs to add additional staff with information technology (IT) skills to the IACD internal audit staff.**

THECB relies heavily on its information systems, which manage and support the infrastructure of practically all of the agency's major business and program processes. As this reliance continues to grow, the agency continues to move forward with its Data Modernization Project and continues to make sizable investments in both new IT systems as well as the maintenance of legacy systems. The IACD needs to grow its ability to conduct audits of this technology. IACD presently has two experienced internal audit staff, however, considerable time is spent administering the TeamMate software tool used by the department to manage the staff's workpaper files.

To adequately audit the current and future scope of IT risks that exist throughout the agency, additional experienced internal audit staff with information technology skills need to be added. While it is a challenge for an internal audit department to attract and maintain auditors with IT audit skills, knowledge, and experience, the department should endeavor to do so.

*Response:*

*We agree that the agency would benefit from additional experienced internal audit staff with information technology skills to audit the current and future scope of IT risks that exist throughout the Agency. The immediate need due to significant changes in the agency's information technology landscape is well apparent. We also agree that the agency's information technology landscape will not diminish and will continue to be a driver of the agency's strategies moving forward*

*We will coordinate with the Commissioner and executive staff to identify resources for an additional position.*

**4. IACD needs to acquire automated file extract and analysis tools and develop the ability to conduct continuous monitoring/auditing and data analytic techniques.**

One of the most significant changes that have occurred in the internal auditing profession in the last decade is the extent to which auditors now recognize the importance of data analysis and the automation of audit and control testing procedures through the use of information technology (IT) tools. Traditionally, an auditing department's testing of controls and compliance has been performed on a retrospective and cyclical basis, often months after business activities have occurred. Testing procedures are often based on a sampling approach and have included activities such as manual reviews of transactions, policies, procedures, approvals, and reconciliations. This approach has only afforded auditors a narrow scope of evaluation and can be late in heading off errors in business performance or regulatory compliance.

Continuous auditing and data analysis are methods that can be used to perform control and risk assessments automatically on a more frequent basis. The use of IT tools, like the IDEA extract software tool, is the key to enabling this approach. Using continuous auditing will allow auditors to more fully understand critical control points, rules, and exceptions. Data analysis will enable auditors to perform control and risk assessments on a timelier basis. Auditors will be able to analyze key business systems for both anomalies at the transaction level and data-driven indicators of control deficiencies and emerging risks. Continuous auditing will enable the integration of analysis results into the risk assessment process, from the development and maintenance of audit plans to the follow-up of specific audits.

IACD currently uses Microsoft Excel to analyze and evaluate data sets. While this tool has been used successfully in many circumstances, there are limitations to

Texas Higher Education Coordinating Board - 2022

its usefulness. These limitations include the size of data sets that can be analyzed and the lack of built-in functions that are specifically designed to make audit-oriented data analysis easier to perform.

*Response:*

*We agree that the agency would benefit from additional information technology (IT) tools for data analysis and automation of audit and control testing procedures. The use of IT tools, like the IDEA extract software tool, would allow auditors to better understand critical control points, rules, and exceptions, enabling auditors to perform improved control and risk assessments.*

*We have initiated additional reviews of capabilities and costs of available information technology software, including the IDEA extract tool.*

**5. IACD's Internal Audit Charter should be updated and approved by the Agency Operations Committee.**

IIA Standard 1000 – Purpose, Authority, and Responsibility requires that the Internal Audit Charter that defines the internal audit activity's purpose, authority, and responsibility must be periodically reviewed and approved by senior management and the governing board. The current Internal Audit Charter was last reviewed and approved by the THECB Board Chair, the Commissioner of Higher Education, and the IACD Assistant Commissioner in 2018.

*Response:*

*We agree that IACD's Internal Audit Charter should be updated and approved by the Agency Operations Committee.*

*We are preparing an updated Charter for review and will schedule the Charter to be reviewed periodically, for example, either annually or once every three years.*

**6. IACD should explore developing an incentive program that would encourage its staff to be certified in internal auditing.**

While the Assistant Commissioner, the Assistant Director, and the internal audit staff all have audit certifications, some more than one, only two of the eight compliance staff have audit certifications. Generally Accepted Government Auditing Standards state that “The audit organization should have a process for recruitment, hiring, continuous development, assignment, and evaluation of personnel so that the workforce has the essential knowledge, skills, and abilities necessary to conduct the engagement. Acquiring a professional certification verifies someone’s knowledge, skills, and abilities to perform a specific job, and underscores the confidence that can be placed on the work that is performed.

An incentive program would encourage the staff to obtain an audit certification that would not only attest to their competency and integrity but also support a commitment by IACD to ongoing professional development.

*Response:*

*We agree that staff needs to be further encouraged to obtain audit certifications that would not only attest to their competency and integrity but also support a commitment by IACD to ongoing professional development.*

*We will continue to explore ways to encourage staff to obtain audit certifications that work within the current professional development and performance review process or other possible reimbursement pathways.*

# Internal Audit Plan for Fiscal Year 2024

## TEXAS HIGHER EDUCATION COORDINATING BOARD

### INTERNAL AUDIT & COMPLIANCE MONITORING

#### Annual Internal Audit Plan for Fiscal Year (FY) 2024

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; and
- changes in mission or key management.

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

Required and Risk-Based Audits	Prior Year Hours	Estimated FY24 Hours	%
1. Follow-Up of Prior Audits: <i>Assess the implementation status of previously reported recommendations by Internal Audit, including the CRAFT application, DMI, GEER, and the status of recommendations made by other external auditors, as necessary.</i>	160	160	5%
2. Carry Forward of Remaining 2023 Projects: <i>Carry forward of remaining work for FY 2023 projects.</i>	160	160	5%



<b>Required and Risk-Based Audits, Continued</b>	<b>Prior Year Hours</b>	<b>Estimated FY24 Hours</b>	<b>%</b>
3. Internal Audit Performance Measures and Quality Assurance: <i>Monitor performance measures for Internal Audit and perform ongoing quality assurance measures.</i>	200	200	6%
4. 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>	160	160	5%
5. 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 or may monitor any investigation conducted by the agency.</i>	300	300	9%
6. Provide Assistance - External Audit of Agency Financial Statements: <i>Internal Audit provides 80 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>	80	80	3%
7. Grant Funds Administration - Review and Advisory Services: <i>Review and advise management on the state of governance, risk, and controls within and around grant funds administration including a review of implementation of new or revised grants.</i>	450	450	14%

<b>Required and Risk-Based Audits, Continued</b>	<b>Prior Year Hours</b>	<b>Estimated FY24 Hours</b>	<b>%</b>
8. Information Security - Review and Advisory Services: <i>Review and advise management on the state of governance, risk, and controls within and around information security for selected initiatives, programs, or applications. Areas of significant change include the Data Modernization Initiative, the student loan system, and implementation of the CAPPS financial module.</i>	650	650	21%
9. Audit of Contract Management Administration: <i>Audit of agency contract administration process for compliance with laws, regulations, policies, and procedures. (Prior Year Hours were from Review of purchasing cards project)</i>	490	500	16%
10. Audit of Grant Research funding: <i>Audit of TRIP program with a focus on review of supporting documentation at two or more institutions. (Prior Year Hours were from Review of Building a Talent Strong Texas project)</i>	460	500	16%
<b>Total Hours - Required and Risk-Based Audits</b>	<b>3110</b>	<b>3160</b>	<b>100%</b>



## **External Audit Services Procured in Fiscal Year 2023**

The agency contracted with KPMG, LLP, to perform an independent audit of the agency's Fiscal Year 2022 and Fiscal Year 2023 Financial Statements. As part of the agreement, the agency provided 80 hours per year of internal audit staff support to KPMG, LLP.

## **Reporting Suspected Fraud and Abuse**

Actions taken by the agency to address the requirements of Section 7.10. Fraud Reporting, General Appropriations Act (82nd Legislature), Article IX and Government Code, Section 321.022.Coordination of Investigations, include:

- 1) Established a fraud prevention policy and posted the policy on the agency intranet for the employees. The policy encourages reporting of suspected violations to the State Auditor's Office Fraud Hotline.
- 2) Established a link to the State Auditor's Office Fraud Hotline on the agency's home page to enable the general public or employees to report suspected fraud or misconduct directly to the State Auditor's Office.
- 3) Coordinated with the Special Investigations Unit of the State Auditor's Office to investigate suspected fraud.
- 4) Provided ethics-related information to all new employees as part of the orientation process.

## Internal Audit Corrective Action Status Report - October 2023

<u>Project</u>	<u>Issue date</u>	<u>Recommendation</u>	<u>Responsible Party</u>	<u>Expected</u>	<u>Status</u>
CRAFT	7/27/2022	Perform needs assessment for a CRAFT replacement	Sarah Keyton, Associate Commissioner for Administration	Sep-23	In progress
CRAFT	7/27/2022	Assess and revise the current overall CB policy and procedure for periodic application user reviews	Sarah Keyton, Associate Commissioner for Administration	FY23	In progress
DMI	3/14/2022	Create a centralized cloud center outlining THECB and cloud vendor responsibilities	Zhenzhen Sun, Chief Information Security Officer	Jul-23	In progress
DMI	3/14/2022	Add DMI deliverables to established annual risk assessments	Zhenzhen Sun, Chief Information Security	Jul-23	In progress
GEER - March 2023	3/13/2023	Provide centralized monitoring for service (non-subrecipient) GEER projects.	Sarah Keyton, Associate Commissioner for Administration	Oct-23	Completed, Not Verified
GEER - March 2023	3/13/2023	Complete and retain the Contract Management Checklist in BMS and H drive for each service (non-subrecipient) GEER project.	Sarah Keyton, Associate Commissioner for Administration	Oct-23	Completed, Not Verified
GEER - March 2023	3/13/2023	Complete and retain the Subrecipient Monitoring Checklist in H drive for each grant (subrecipient) GEER	Sarah Keyton, Associate Commissioner for Administration	Oct-23	Completed, Not Verified
GEER - March 2023	3/13/2023	Provide consistent folder structure and naming in H drive that correlates to management's Smartsheet list and to finance (PCA) numbering and	Sarah Keyton, Associate Commissioner for Administration	Oct-23	Completed, Not Verified
GEER - March	3/13/2023	Finalize and document the approved Charter in H drive for all projects.	Sarah Keyton, Associate Commissioner for	Oct-23	Completed, Not Verified
SAO - CAL Program April 2023	4/14/2023	Develop, implement, and document a requirement to timely review error reports from HELMS	Student Financial Aid Program Division Manager	Mar-23	Verified
Purchasing Cards	8/31/2023	Improve Purchasing Card policies for training, reconciliation, card access, and documentation.	Anthony Infantini, Chief Financial Officer	Oct-23	New
Purchasing Cards	8/31/2023	Improve Risk assessment policies and implementation	Sarah Keyton, Associate Commissioner for Administration	Dec-23	New

LEGEND	
New	Recommendation is newly reported.
Verified	Verified - Recommendation has been verified as implemented.
Completed, Not Verified	Completed, Not Verified - Recommendation has been completed but has not been tested and verified as implemented.
Not Verified	Not verified - Recommendation is in progress or pending verification.
Verified as not Implemented	Verified as not implemented - Verification determined that either no corrective action was taken, or the corrective action taken did not mitigate the identified risk.

# Agency Operations Committee

## AGENDA ITEM VII-A

### Auditor's update on state and federal compliance monitoring reports and activities

RECOMMENDATION: No action required

Background Information:

#### **State Compliance Monitoring**

The state Compliance Monitoring team completed 14 projects and a corrective action status report during the reporting period since the July 2023 Agency Operations Committee meeting. The final reports are attached.

#### Formula funding (FF) projects

1. "Compliance Monitoring Audit of Formula Funding at The University of Texas MD Anderson Cancer Center" (no findings)
2. "Compliance Monitoring Desk Review of Formula Funding at Tarrant County College" (no findings)
3. "Compliance Monitoring Desk Review of Formula Funding at The University of Texas at San Antonio" (no findings)

#### Financial aid projects and other reports

4. "Compliance Monitoring Audit of TEXAS Grant at Angelo State University" (no findings)
5. "Compliance Monitoring Desk Review of College Access Loan at Trinity University" (no findings)
6. "Compliance Monitoring Audit of Texas Educational Opportunity Grant at Del Mar College" (no findings)
7. "Compliance Monitoring Audit of TEXAS Grant at The University of Texas at Tyler" (no findings)
8. "Compliance Monitoring Desk Review of College Access Loan at Texas Christian University" (no findings)
9. "Compliance Monitoring Audit of College Access Loan at Austin College" (no findings)
10. "Compliance Monitoring Audit of College Access Loan at Southern Methodist University" (no findings)

11. “Compliance Monitoring Desk Review of the Texas Educational Opportunity Grant at Texas State Technical College” (no findings)
12. “Compliance Monitoring Audit of Tuition Equalization Grant at Our Lady of the Lake University” (no findings)
13. “Compliance Monitoring Audit of Tuition Equalization Grant at Southwestern Christian College” (three findings)
14. “Compliance Monitoring Audit of Tuition Equalization Grant at Paul Quinn College” (one finding)
15. “Compliance Monitoring Corrective Action Status Report – October 2023”

<b>Fiscal Year 2023 Project Status as of October 2023</b>	<b>Stage</b>
University of Houston (FF)	Reporting
Jarvis Christian University (TEG)	Reporting
St. Edward’s University (CAL)	Planning/Fieldwork
Weatherford College (TEOG)	Planning/Fieldwork
Southwestern Adventist University (TEG)	Planning/Fieldwork

Other state compliance monitoring activities

- Fiscal Year (FY) 2024 project planning and notifications
- Complaint-resolution assistance
- House Bill 8 implementation planning
- Texas Sexual Misconduct Reporting upcoming project planning
- Training new compliance specialist

**Federal Compliance Monitoring**

Federal compliance monitoring activities

- Governor’s Emergency Education Relief (GEER) funding – participation in GEER meetings, training, and planning
- Finalizing and closing FY 2022 single audit reviews
- Finalizing FY 2021 Perkins reviews
- GEER FY 2022 subrecipient monitoring reviews – planning
- Hiring replacement federal compliance specialist

Arby Gonzales, Assistant Commissioner, Internal Audit and Compliance, and Paul Maeyaert, Assistant Director, Internal Audit and Compliance, will present this item and be available to answer questions.

**Texas Higher  
Education**  
COORDINATING BOARD

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August 25, 2023

Dr. Peter W.T. Pisters, M.D.  
President

The University of Texas MD Anderson Cancer Center  
1515 Holcombe Blvd.  
Houston, Texas 77030

Re: *A Compliance Monitoring Audit of Formula Funding at The University of Texas MD  
Anderson Cancer Center*, Report No. THECB-CM-FF-23-011

Dear Dr. Pisters,

I am attaching the final report on *A Compliance Monitoring Audit of Formula Funding at  
The University of Texas MD Anderson Cancer Center*, Report No. THECB-CM-FF-23-011.  
There were no observations resulting from this engagement.

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 October 2023.

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

Sincerely,



Paul Maeyaert, JD, MBA, CIA, CGAP, CFE  
Interim Assistant Commissioner – Internal Audit and Compliance

## **Executive Summary**

The University of Texas MD Anderson Cancer Center complied with relevant Coordinating Board (THECB) rules and regulations for enrollment data used for formula funding and with Texas Education Code, Title 3, Subtitle B, Chapter 61, Section 61.035.

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 conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our consideration of internal control was for the compliance purposes described in the objective/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 Payments were Received in Accordance with Requirements**

No reportable findings were noted.

## **Audit Scope, Objective, and Methodology**

Our audit included tests of student data reported and certified by The University of Texas MD Anderson Cancer Center. Our audit focused on the following student data and time periods:

- CBM001 (Student Report) – Summer semester 2021, Fall semester 2021, and Spring semester 2022

Our work included procedures to verify:

- Reported semester credit hours were eligible for formula funding;
- Student tuition payment was received in accordance with requirements; and
- Information Security Controls related to student information were sufficient for the limited purpose of our audit.

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 The University of Texas MD Anderson Cancer Center accurately reported student data.

## **Background**

The Texas Education Code §61.059(b) – directs the Board to “devise, establish, and periodically review and revise formulas for the use of the governor and the Legislative Budget Board in making appropriations recommendations to the legislature for all institutions of higher education, including the funding of postsecondary vocational-technical programs. As a specific element of the periodic review, the board shall study and recommend changes in the funding formulas based on the role and mission statements of institutions of higher education.”

The funding formulas are allocations; institutions of higher education have the authority to spend funds appropriated through the formulas in the manner deemed most appropriate; the formula models include enrollment as a major driver; and not all appropriations are made through the formulas.

Texas Administrative Code §1.13(b)(2) states, “The purpose of the Board's risk assessment process and compliance methodologies is to maximize the effectiveness of monitoring funds allocated by the Board and data reported to the Board. The agency-wide, risk-based compliance monitoring function is established for... (B) data reported by institutions of higher education to the Board and used by the Board for funding or policymaking decisions, including data used for formula funding allocations, to ensure the data are accurately and consistently reported.”

**PERFORMED BY:**

Ms. Jamyen Robinson-Hall, Senior Compliance Specialist

cc:

**THECB**

**Board Members**

**Commissioner's Office**

Dr. Harrison Keller, Commissioner of Higher Education

Ms. Melissa Henderson, Chief of Staff

Ms. Sarah Keyton, Associate Commissioner for Administration

Ms. Nichole Bunker-Henderson, General Counsel

**Data Analytics and Innovation**

Ms. Emily Cormier, Assistant Commissioner, Funding and Resource Planning

**The University of Texas MD Anderson Cancer Center**

Mr. Tomas Guajardo, Chief of Staff

Ms. Emily Wells, Assistant Director Campus Enterprise Applications and Academic Technology

Ms. Stephanie Snedden, Associate Registrar

Mr. Robert Jenkins, Registrar

**The University of Texas System**

Mr. Kevin P. Eltife, Chairman, Board of Regents

Mr. James B. Milliken, Chancellor

Mr. J. Michael Peppers, Chief Audit Executive

**State Auditor's Office**

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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Daniel O. Wong

Harrison Keller, Ph.D.  
COMMISSIONER OF HIGHER  
EDUCATION

August 25, 2023

Dr. Elva Le Blanc  
Chancellor  
Tarrant County College - Trinity River Campus East  
300 Trinity Campus Circle  
Fort Worth, TX 76102

Re: *A Compliance Monitoring Desk Review of Formula Funding at Tarrant County College*, Report No. THECB-CM-FF-23-009.

Tarrant County College complied with relevant Coordinating Board (THECB) rules and regulations for enrollment data used for formula funding and with Texas Education Code, Title 3, Subtitle B, Chapter 61, Section 61.035.

### Summary

Our review included tests of student data reported and certified by Tarrant County College, focusing on the following student data and time periods:

- Semester Credit Hours and Tuition Payments for CBM001 (Student Report) during summer semester 2021, and fall semester 2021;
- Tuition Payments for CBM0C1 (Student Census Report) during spring semester 2022;
- Contact Hours and Enrollment for CBM004 (Class Report) during summer semester 2021, and fall semester 2021;
- Contact Hours and Enrollment for CBM0CS (Census Student Schedule Report) spring semester 2022;
- Contact Hours and Enrollment for CBM00C (Continuing Education Class Report) during summer semester 2021, fall semester 2021, and spring semester 2022;

Our work included procedures to verify:

- Student tuition payment was received in accordance with requirements;
- Reported contact hours were eligible for formula funding;
- Reported enrollment was eligible for formula funding;
- Evidence of academic credentials were maintained to support instructor qualifications; and
- Information Security Controls related to student information were sufficient for the limited purpose of our review.

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 October 2023.

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 "Paul Maeyaert". The script is fluid and cursive, with the first letters of each word being capitalized and prominent.

Paul Maeyaert, JD, MBA, CIA, CGAP, CFE  
Interim Assistant Commissioner – Internal Audit and Compliance

**PERFORMED BY:**

Mr. Jitendra Singh, Compliance Specialist  
CC:

**THECB**

**Board Members**

**Commissioner's Office**

Dr. Harrison Keller, Commissioner of Higher Education  
Ms. Melissa Henderson, Chief of Staff  
Ms. Sarah Keyton, Associate Commissioner for Administration  
Ms. Nichole Bunker-Henderson, General Counsel

**Data Analytics and Innovation**

Ms. Emily Cormier, Assistant Commissioner, Funding and Resource Planning

**Tarrant County College**

Dr. Gwendolyn Morrison, Board of Trustees  
Mr. John Spencer, District Registrar  
Ms. Rebecca Griffith, District Director of Admissions and Records

**Texas Association of Community Colleges**

Dr. Ray Martinez, III, President and Chief Executive Officer

**State Auditor's Office**

Audit 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**

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Harrison Keller, Ph.D.  
COMMISSIONER OF HIGHER  
EDUCATION

September 8, 2023

Dr. Taylor Eighmy  
President  
The University of Texas at San Antonio  
One UTSA Circle  
San Antonio, TX 78249

Re: *A Compliance Monitoring Desk Review of Formula Funding at The University of Texas at San Antonio*, Report No. THECB-CM-FF-23-004.

Dear Dr. Eighmy,

I am attaching the final report on *A Compliance Monitoring Desk Review of Formula Funding at The University of Texas at San Antonio*, Report No. THECB-CM-FF-23-004. There were no observations resulting from this engagement.

### Summary

The University of Texas at San Antonio complied with relevant Coordinating Board (THECB) rules and regulations for the Formula Funding (FF) program and with Texas Administrative Code (TAC), Title 19, Part 1, Chapter 13, Subchapter F, Sections 13.100.

Our review included tests of relevant enrollment data reported and certified by The University of Texas at San Antonio. 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 2021, and fall semester 2021;
- Tuition Payments for CBM0C1 (Student Census Report) during spring semester 2022;
- Enrollment for CBM004 (Class Report) during summer semester 2021, and fall semester 2021;
- Enrollment for CBM0CS (Census Student Schedule Report) spring semester 2022.

Our work included procedures to verify:

- Student tuition payment was received in accordance with requirements;
- Reported enrollment was eligible for formula funding;
- Evidence of academic credentials were maintained to support instructor qualifications; and
- Information Security Controls related to student information were sufficient for the limited purpose of our review.

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 October 2023.

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 "Paul Maeyaert". The script is cursive and fluid, with the first letters of the first and last names being capitalized and prominent.

Paul Maeyaert, JD, MBA, CIA, CGAP, CFE  
Interim Assistant Commissioner – Internal Audit and Compliance

**PERFORMED BY:**

Mr. Jitendra Singh, Compliance Specialist  
CC:

**THECB**

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Harrison Keller, Ph.D.  
COMMISSIONER OF HIGHER  
EDUCATION

July 24, 2023

Ronnie D. Hawkins  
President  
Angelo State University  
2601 W. Avenue N  
San Angelo, TX 76909

Re: *A Compliance Monitoring Audit of the Toward EXcellence Access and Success (TEXAS) Grant at Angelo State University*, Report No. THECB-CM-FA-23-014.

Dear President Hawkins,

I am attaching the final report on *A Compliance Monitoring Audit of the Toward EXcellence Access and Success (TEXAS) Grant at Angelo State University*, Report No. THECB-CM-FA-23-014. There were no findings resulting from this engagement.

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 October 2023.

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

Sincerely,



Paul Maeyaert, JD, MBA, CIA, CGAP, CFE  
Interim Assistant Commissioner – Internal Audit and Compliance

## Executive Summary

Angelo State University (ASU) complied with relevant Coordinating Board (THECB) rules and regulations for the TEXAS Grant Program and with Title 19 Texas Administrative Code (TAC), Part 1, Chapter 22, Subchapter L, Sections 22.225 – 22.241, 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 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 objective/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.

## Audit Scope, Objective, and Methodology

Our compliance audit included tests of TEXAS Grant disbursements during fiscal year 2022 for compliance with relevant criteria, including:

- |  |                                  |
|--|----------------------------------|
| • Student Eligibility                  | • Residency                      |
| • Financial Need                       | • Selective Service Registration |
| • Satisfactory Academic Progress (SAP) | • 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;
- Reported award amounts reconciled with ASU's student information system data and payment records; and
- Information Security Controls related to student information were sufficient for the limited purpose of our audit.



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 ASU accurately reported TEXAS Grant data.

#### Background

The purpose of the 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 2022, there were 1,433 students at ASU who received award disbursements totaling \$6,971,239.

PERFORMED BY:

Ms Jamyen Robinson-Hall, Senior Compliance Specialist  
c:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education  
Ms. Melissa Henderson, Chief of Staff  
Ms. Sarah Keyton, Associate Commissioner for Administration  
Ms. Nichole Bunker-Henderson, General Counsel

Student Financial Aid Programs

Dr. Charles W. Contero-Puls, Assistant Commissioner  
Ms. DeCha Reid, Senior Director, Financial Aid Services

Angelo State University

Ms. Emily Knopp, Audit Director, Office of Audit Services  
Ms. Jamie Mayer, Vice President for External Affairs  
Mr. Jeff Sefcik, Executive Director of Enrollment Management  
Mr. Ed Kerestly, Director of Financial Aid  
Ms. Mary Escobar, Associate Director of Financial Aid  
Mr. Jason Brake, IT Security Officer

Texas Tech University System

Mr. Mark Griffin, Chairman, Board of Regents  
Dr. Tedd L. Mitchell, M.D., Chancellor  
Ms. Kimberly F. Turner, Chief Audit Executive

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Ms. Sarah Hicks, Budget and Policy Director

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Fred Farias III, O.D.  
CHAIR

July 24, 2023

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R. Sam Torn  
Welcome Wilson, Jr.  
Daniel O. Wong

Dr. Vanessa B. Beasley  
President  
Trinity University  
One Trinity Place  
San Antonio, TX 78212

Re: *A Compliance Monitoring Desk Review of the College Access Loan at Trinity University*, Report No. THECB-CM-FA-23-023

Harrison Keller, Ph.D.  
COMMISSIONER OF HIGHER  
EDUCATION

Dear Dr. Beasley,

I am attaching the final report on *A Compliance Monitoring Desk Review of the College Access Loan at Trinity University*, Report No. THECB-CM-FA-23-023. There were no observations resulting from this engagement.

### Summary

Trinity University complied with relevant Coordinating Board (THECB) rules and regulations for the College Access Loan (CAL) Program and with Texas Administrative Code (TAC), Title 19, Part 1, Chapter 22, Subchapter C, Sections 22.42-22.55 in the areas of student eligibility and program reconciliation.

Our review included tests of CAL eligibility requirements for data reported and certified by Trinity University. Our review focused on CAL data for the financial aid year 2021-2022.

Our work included procedures to verify:

- Students met all eligibility criteria including SAP requirements;
- Students demonstrated financial need;
- Students fulfilled residency requirements;
- Reported award amounts reconciled with student information system data and payment records;
- Students were enrolled at least half-time; and
- Students were in a course of study leading to an associate, bachelor's, graduate, or higher degree.

This Compliance Monitoring desk review report will be presented to the THECB Committee on Agency Operations, a standing committee of the THECB Board, in October, 2023.

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

Sincerely,

A handwritten signature in black ink that reads "Paul Maeyaert". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

Paul Maeyaert, JD, MA, CIA, CGAP, CFE  
Interim Assistant Commissioner, Internal Audit and Compliance

**PERFORMED BY:**

Ms. Elizabeth Steele, Compliance Specialist  
c:

**THECB**

**Board Members**

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Ms. Melissa Henderson, Chief of Staff  
Ms. Sarah Keyton, Associate Commissioner for Administration  
Ms. Nichole Bunker-Henderson, General Counsel

**Student Financial Aid Programs**

Dr. Charles W. Contero-Puls, Assistant Commissioner  
Ms. DeCha Reid, Senior Director, Financial Aid Services

**Trinity University**

Ms. Melody Boone Meyer, Chair, Board of Trustees  
Ms. Diana Heeren, Associate Vice President for Finance  
Mr. Eric Maloof, Vice President for Enrollment Management  
Ms. Christina Pikla, Director of Financial Aid

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Harrison Keller, Ph.D.  
COMMISSIONER OF HIGHER  
EDUCATION

August 10, 2023

Dr. Mark Escamilla, President and CEO  
Del Mar College  
101 Baldwin Blvd  
Corpus Christi, Texas 78404

Re: *A Compliance Monitoring Audit of Texas Educational Opportunity Grant at Del Mar College*, Report No. THECB-CM-FA-23-017

Dear Dr. Escamilla,

I am attaching the final report on *A Compliance Monitoring Audit of the Texas Educational Opportunity Grant (TEOG) at Del Mar College*, Report No. THECB-CM-FA-23-017. There were no observations resulting from this engagement.

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 October 2023.

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

Sincerely,



Paul Maeyaert, JD, MBA, CIA, CGAP, CFE  
Interim Assistant Commissioner – Internal Audit and Compliance

## Executive Summary

Del Mar College (DMC) complied with relevant Coordinating Board (THECB) rules and regulations for the TEOG Program and with Chapter 19 Texas Administrative Code (TAC), Part 1, Chapter 22, Subchapter M, Sections 22.256 – 22.264, 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 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 objective/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.

### Audit Scope, Objective, and Methodology

Our compliance audit included tests of TEOG disbursements during fiscal year 2022 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;
- Reported award amounts reconciled with DMC's student information system data and payment records; and
- Information Security Controls related to student information were sufficient for the limited purpose of our audit.

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 DMC accurately reported TEOG data.

### Background

The purpose of the TEOG Program is to provide grants of money to enable eligible students to attend public institutions of higher education in this state. During fiscal year 2022, there were 293 students at DMC who received award disbursements totaling \$806,750.



PERFORMED BY:

Ms. Jamyen Robinson-Hall, Senior Compliance Specialist

cc:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education

Ms. Melissa Henderson, Chief of Staff

Ms. Sarah Keyton, Associate Commissioner for Administration

Ms. Nichole Bunker-Henderson, General Counsel

Student Financial Aid Programs

Dr. Charles W. Contéro-Puls, Assistant Commissioner

Ms. DeCha Reid, Senior Director, Financial Aid Services

Del Mar College

Ms. Carol A. Scott, Chair, Board of Regents

Ms. Lenora Keas, Executive VP & COO

Mr. Raul Garcia, CFO and Vice President

Ms. Natalie Villarreal PhD., Exe. Director, Strategic and Operational Initiatives

Ms. Patricia B. Dominguez, Vice President, Student Affairs

Ms. Cheryl Sanders, Assoc. VP for Student Affairs

Mr. Joseph Ruiz, Director of Financial Aid

Ms. Kayla Lopez, Associate Director of Financial Aid Services

Texas Association of Community Colleges

Dr. Ray Martinez, III, President and Chief Executive Officer

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Harrison Keller, Ph.D.  
COMMISSIONER OF HIGHER  
EDUCATION

August 10, 2023

Dr. Kirk Calhoun  
President  
The University of Texas at Tyler  
3900 University Blvd.  
Tyler, TX 75799

Re: *A Compliance Monitoring Audit of the Toward EXcellence Access and Success (TEXAS) Grant at The University of Texas at Tyler*, Report No. THECB-CM-FA-23-013.

Dear Dr. Calhoun,

I am attaching the final report on *A Compliance Monitoring Audit of the Toward EXcellence Access and Success (TEXAS) Grant at The University of Texas at Tyler*, Report No. THECB-CM-FA-23-013. There were no observations resulting from this engagement.

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 October 2023.

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

Sincerely,



Paul Maeyaert, JD, MBA, CIA, CGAP, CFE  
Interim Assistant Commissioner – Internal Audit and Compliance

## **Executive Summary**

The University of Texas at Tyler (UT Tyler) complied with relevant Coordinating Board (THECB) rules and regulations for the TEXAS Grant Program and with Title 19 Texas Administrative Code (TAC), Part 1, Chapter 22, Subchapter L, Sections 22.225 – 22.241, 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 a reasonable basis for our observations and recommendations based on our audit objectives. We believe the evidence obtained provides a reasonable basis for the observations and recommendations, if any, based on the audit objectives.

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

We reviewed the following areas:

### **Award Amounts**

No reportable observations were noted.

### **Student Eligibility**

No reportable observations were noted.

### **Financial Need**

No reportable observations were noted.

### **Satisfactory Academic Progress**

No reportable observations were noted.

### **Residency**

No reportable observations were noted.

### **Selective Service Registration**

No reportable observations were noted.

## **Audit Scope, Objective, and Methodology**

Our compliance audit included tests of TEXAS Grant disbursements during fiscal year 2022 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;
- Award amounts reconciled with UT Tyler's TEXAS Grant general ledger; and
- Information Security Controls related to student information were sufficient for the limited purpose of our audit.

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 UT Tyler accurately reported TEXAS Grant data.

### **Background**

The purpose of the 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 2022, there were 463 students at UT Tyler who received award disbursements totaling \$3,575,024.

**PERFORMED BY:**

Ms. Shebah Washington, Compliance Specialist  
c:

**THECB**

**Board Members**

**Commissioner's Office**

Dr. Harrison Keller, Commissioner of Higher Education  
Ms. Melissa Henderson, Chief of Staff  
Ms. Sarah Keyton, Associate Commissioner for Administration  
Ms. Nichole Bunker-Henderson, General Counsel

**Student Financial Aid Programs**

Dr. Charles W. Contero-Puls, Assistant Commissioner  
Ms. DeCha Reid, Senior Director, Financial Aid Services

**The University of Texas at Tyler**

Mr. Stephen Ford, Jr., Vice President, Chief Audit Executive  
Mr. David Barron, Vice President of Enrollment Management  
Mr. Nathan Flory, Director of Financial Aid  
Mr. Isai Ramirez, Vice President of Information Technology and Chief Information Officer (CIO)

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Mr. James B. Milliken, Chancellor  
Mr. J. Michael Peppers, Chief Audit Executive

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Welcome Wilson, Jr.  
Daniel O. Wong

Harrison Keller, Ph.D.  
COMMISSIONER OF HIGHER  
EDUCATION

August 10, 2023

Dr. Victor J. Boschini, Jr.  
Chancellor  
Texas Christian University  
2800 South University Drive  
Fort Worth, TX 76109

Re: *A Compliance Monitoring Desk Review of the College Access Loan at Texas Christian University*, Report No. THECB-CM-FA-23-019

Dear Dr. Boschini,

I am attaching the final report on *A Compliance Monitoring Desk Review of the College Access Loan at Texas Christian University*, Report No. THECB-CM-FA-23-019. There were no observations resulting from this engagement.

### Summary

Texas Christian University complied with relevant Coordinating Board (THECB) rules and regulations for the College Access Loan (CAL) Program and with Texas Administrative Code (TAC), Title 19, Part 1, Chapter 22, Subchapter C, Sections 22.42-22.55 in the areas of student eligibility and program reconciliation.

Our review included tests of CAL eligibility requirements for data reported and certified by Texas Christian University. Our review focused on CAL data for the financial aid year 2021-2022.

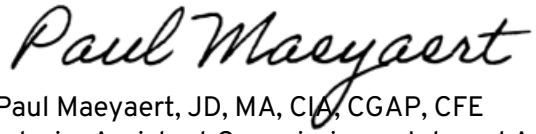
Our work included procedures to verify:

- Students met all eligibility criteria including SAP requirements;
- Students demonstrated financial need;
- Students fulfilled residency requirements;
- Reported award amounts reconciled with student information system data and payment records;
- Students were enrolled at least half-time; and
- Students were in a course of study leading to an associate, bachelor's, graduate, or higher degree.

This Compliance Monitoring desk review report will be presented to the THECB Committee on Agency Operations, a standing committee of the THECB Board, in October, 2023.

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

Sincerely,

A handwritten signature in black ink that reads "Paul Maeyaert". The script is fluid and cursive, with the first letters of each word being capitalized and prominent.

Paul Maeyaert, JD, MA, CIA, CGAP, CFE  
Interim Assistant Commissioner, Internal Audit and Compliance

**PERFORMED BY:**

Ms. Elizabeth Steele, Compliance Specialist  
c:

**THECB**

**Board Members**

**Commissioner's Office**

Dr. Harrison Keller, Commissioner of Higher Education  
Ms. Melissa Henderson, Chief of Staff  
Ms. Sarah Keyton, Associate Commissioner for Administration  
Ms. Nichole Bunker-Henderson, General Counsel

**Student Financial Aid Programs**

Dr. Charles W. Contéro-Puls, Assistant Commissioner  
Ms. DeChà Reid, Senior Director, Financial Aid Services

**Texas Christian University**

Ms. Mark L. Johnson, Chairman, Board of Trustees  
Mr. Daniel Pullin, President  
Dr. Teresa Abi-Nader Dahlberg, Provost  
Mr. Mike Scott, Associate Provost, Enrollment Management  
Ms. Andrea Nordmann, Chief University Compliance Officer  
Ms. Victoria Chen, Executive Director of Scholarships and Student Financial Aid  
Ms. Bridget Shehan, Associate Director of Financial Aid/Compliance  
Mr. Aaron Munoz, Chief Information Security Officer

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Ms. Sarah Hicks, Budget and Policy Director

**Legislative Budget Board**

Mr. Christopher Mattsson, Assistant Director



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Ashlie A. Thomas  
Welcome Wilson, Jr.  
Daniel O. Wong

Harrison Keller, Ph.D.  
COMMISSIONER OF HIGHER  
EDUCATION

August 31, 2023

Dr. Steven P. O'Day  
President  
Austin College  
900 N. Grand Avenue  
Sherman, TX 75090

Re: *A Compliance Monitoring Audit of the College Access Loan (CAL) Program at Austin College*, Report No. THECB-CM-FA-23-024.

Dear Dr. O'Day,

I am attaching the final report on *A Compliance Monitoring Audit of the College Access Loan (CAL) Program at Austin College*, Report No. THECB-CM-FA-23-024. There were no observations resulting from this engagement.

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 October 2023.

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

Sincerely,



Paul Maeyaert, JD, MBA, CIA, CGAP, CFE  
Interim Assistant Commissioner – Internal Audit and Compliance

## **Executive Summary**

Austin College complied with relevant Coordinating Board (THECB) rules and regulations for the College Access Loan (CAL) Program and with Texas Administrative Code (TAC), Title 19, Part 1, Chapter 22, Subchapter C, Sections 22.42-22.55 in the areas of student eligibility, and program reconciliation.

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 observations and recommendations based on our audit objectives. We believe the evidence obtained provides a reasonable basis for the observations and recommendations, if any, based on the audit objectives.

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

We reviewed the following areas:

### **Award Amounts**

No reportable observations were noted.

### **Student Eligibility**

No reportable observations were noted.

### **Financial Need**

No reportable observations were noted.

### **Satisfactory Academic Progress**

No reportable observations were noted.

### **Residency**

No reportable observations were noted.

### **Selective Service Registration**

No reportable observations were noted.

## **Audit Scope, Objective, and Methodology**

Our compliance audit included tests of CAL disbursements during fiscal year 2022 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 eligibility criteria including SAP requirements;
- Students demonstrated financial need;
- Students fulfilled residency requirements;
- Applicable students registered with the selective service system;
- Award amounts reconciled with Austin College's CAL general ledger; and
- Information security controls related to student information were sufficient for the limited purpose of our audit.

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 Austin College accurately reported CAL data.

**Background**

The purpose of the CAL Program is to provide state loan funds to enable eligible students to attend institutions of higher education in this state. During fiscal year 2022, there were 73 students at Austin College who received award disbursements totaling \$7,293,808.

**PERFORMED BY:**

Ms. Shebah Washington, Compliance Specialist  
c:

**THECB**

**Board Members**

**Commissioner's Office**

Dr. Harrison Keller, Commissioner of Higher Education  
Ms. Melissa Henderson, Chief of Staff  
Ms. Sarah Keyton, Associate Commissioner for Administration  
Ms. Nichole Bunker-Henderson, General Counsel

**Student Financial Aid Programs**

Dr. Charles W. Contero-Puls, Assistant Commissioner  
Ms. DeCha Reid, Senior Director, Financial Aid Services

**Austin College**

Mr. Scott Austin, Chairman, Board of Trustees  
Ms. Baylee Kowert, Vice President for Institutional Enrollment  
Ms. Laurie Coulter, Associate Vice President for Institutional Enrollment & Executive Director of Financial Aid  
Ms. Hayley Jordan, Associate Director of Financial Aid  
Mr. Garrett Hubbard, Director of Information Technology and Chief Information Officer

**Independent Colleges and Universities in Texas**

Ms. Elizabeth Puthoff, President

**State Auditor's Office**

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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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Harrison Keller, Ph.D.  
COMMISSIONER OF HIGHER  
EDUCATION

August 31, 2023

Dr. R. Gerald Turner  
President  
Southern Methodist University  
P.O. Box 750100  
Dallas, Texas 75275

Re: *A Compliance Monitoring Audit of the College Access Loan (CAL)  
Program at Southern Methodist University*, Report No. THECB-CM-FA-  
23-020.

Dear Dr. Turner,

I am attaching the final report on *A Compliance Monitoring Audit of the  
College Access Loan (CAL) Program at Southern Methodist University*,  
Report No. THECB-CM-FA-23-020. There were no observations resulting  
from this engagement.

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 October 2023.

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

Sincerely,



Paul Maeyaert, JD, MBA, CIA, CGAP, CFE  
Interim Assistant Commissioner – Internal Audit and Compliance

## **Executive Summary**

Southern Methodist University complied with relevant Coordinating Board (THECB) rules and regulations for the College Access Loan (CAL) Program and with Texas Administrative Code (TAC), Title 19, Part 1, Chapter 22, Subchapter C, Sections 22.42-22.55 in the areas of student eligibility, and program reconciliation.

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 observations and recommendations based on our audit objectives. We believe the evidence obtained provides a reasonable basis for the observations and recommendations, if any, based on the audit objectives.

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

We reviewed the following areas:

### **Award Amounts**

No reportable observations were noted.

### **Student Eligibility**

No reportable observations were noted.

### **Financial Need**

No reportable observations were noted.

### **Satisfactory Academic Progress**

No reportable observations were noted.

### **Residency**

No reportable observations were noted.

### **Selective Service Registration**

No reportable observations were noted.

### **Audit Scope, Objective, and Methodology**

Our compliance audit included tests of CAL disbursements during fiscal year 2022 for compliance with relevant criteria, including:

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

Our work included procedures to verify:

- Students met eligibility criteria including SAP requirements;
- Students demonstrated financial need;
- Students fulfilled residency requirements;
- Applicable students registered with the selective service system;
- Award amounts reconciled with Southern Methodist University's CAL general ledger; and
- Information security controls related to student information were sufficient for the limited purpose of our audit.

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 Southern Methodist University accurately reported CAL data.

**Background**

The purpose of the CAL Program is to provide state loan funds to enable eligible students to attend institutions of higher education in this state. During fiscal year 2022, there were 241 students at Southern Methodist University who received award disbursements totaling \$7,403,632.

**PERFORMED BY:**

Ms. Jamyen Robinson-Hall, Senior Compliance Specialist

c:

**THECB**

**Board Members**

**Commissioner's Office**

Dr. Harrison Keller, Commissioner of Higher Education

Ms. Melissa Henderson, Chief of Staff

Ms. Sarah Keyton, Associate Commissioner for Administration

Ms. Nichole Bunker-Henderson, General Counsel

**Student Financial Aid Programs**

Dr. Charles W. Contero-Puls, Assistant Commissioner

Ms. DeCha Reid, Senior Director, Financial Aid Services

**Southern Methodist University**

Mr. David B. Miller Chairman, Board of Trustees

Dr. Wes K. Waggoner, Vice Provost for Enrollment Management & Chief Enrollment Officer

Ms. Chandra McQueen, Director of Internal Audit

Ms. Mary Saucedo, Executive Director of Student Financial Services

Ms. Sharla Walker, Director, Student Financial Services Production & Operations

Mr. Stan Eddy, Director, Student Financial Services Compliance and Communications

Mr. Braunshay Pertile, Business Data Analyst, FA Module Lead

**Independent Colleges and Universities in Texas**

Ms. Elizabeth Puthoff, 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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Harrison Keller, Ph.D.  
COMMISSIONER OF HIGHER  
EDUCATION

August 31, 2023

Mr. Mike Reeser  
Chancellor & CEO  
Texas State Technical College  
3801 Campus Drive  
Waco, Texas 76705

Re: *A Compliance Monitoring Desk Review of the Texas Educational  
Opportunity Grant (TEOG) at Texas State Technical College*, Report No.  
THECB-CM-FA-23-015.

Dear Mr. Reeser,

I am attaching the final report on *A Compliance Monitoring Desk Review of the  
Texas Educational Opportunity Grant (TEOG) at Texas State Technical College*,  
Report No. THECB-CM-FA-23-015. There were no observations resulting from  
this engagement.

### Summary

Texas State Technical College complied with relevant Coordinating Board  
(THECB) rules and regulations for the Texas Educational Opportunity Grant  
(TEOG) and with the Texas Administrative Code (TAC), Title 19, Part 1, Chapter  
22, Subchapter M, Sections 22.253-22.264 in the areas of student eligibility  
and program reconciliation.

Our review included tests of TEOG eligibility requirements for data reported and  
certified by Texas State Technical College. Our review focused on TEOG data  
for the financial aid year 2021-2022.

Our work included procedures to verify:

- Students met eligibility criteria including SAP requirements;
- Students demonstrated financial need;
- Students fulfilled residency requirements;
- Reported award amounts reconciled with TSTC's student information  
system data and payment records;
- Applicable students registered with the selective service system; and
- Information security controls related to student information were  
sufficient for the limited purpose of our audit.

This Compliance Monitoring desk review report will be presented to the THECB  
Committee on Agency Operations, a standing committee of the THECB Board,  
in October, 2023.

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

Sincerely,

A handwritten signature in black ink that reads "Paul Maeyaert". The script is cursive and fluid, with the first letters of each word being capitalized and slightly larger than the others.

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

**PERFORMED BY:**

Ms. Jamyen Robinson-Hall, Senior Compliance Specialist  
c:

**THECB**

**Board Members**

**Commissioner's Office**

Dr. Harrison Keller, Commissioner of Higher Education  
Ms. Melissa Henderson, Chief of Staff  
Ms. Sarah Keyton, Associate Commissioner for Administration  
Ms. Nichole Bunker-Henderson, General Counsel

**Student Financial Aid Programs**

Dr. Charles W. Contero-Puls, Assistant Commissioner  
Ms. DeCha Reid, Senior Director, Financial Aid Services

**Texas State Technical College**

Ms. Tiffany Tremont, Chair, Board of Regents  
Dr. Christine Stuart-Carruthers, Associate Vice Chancellor, Enrollment Management  
Mr. Jason Mallory, Vice Chancellor-Chief Audit Executive  
Ms. Jackie Adler, Executive Director of Financial Aid  
Ms. Denise Eliserio, Director of Financial Aid  
Mr. Johann Martinez, Financial Aid Processing Specialist II

**State Auditor's Office**

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

**Texas Higher  
Education**  
COORDINATING BOARD

1801 N. Congress Ave., Suite 12.200, Austin,  
TX 78701  
Mail: PO Box 12788, Austin, TX 78711-2788  
Phone: 512-427-6101  
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Harrison Keller, Ph.D.  
COMMISSIONER OF HIGHER  
EDUCATION

September 8, 2023

Dr. Abel Antonio Chávez  
President  
Our Lady of the Lake University  
411 S.W. 24<sup>th</sup> Street  
San Antonio, Texas, 78207

Re: *A Compliance Monitoring Audit of the Tuition Equalization Grant at Our Lady of the Lake University*, Report No. THECB-CM-FA-23-022

Dear Dr. Chávez,

I am attaching the final report on *A Compliance Monitoring Audit of the Tuition Equalization Grant (TEG) at Our Lady of the Lake University*, Report No. THECB-CM-FA-23-022. There were no reportable observations resulting from this engagement.

This Compliance Monitoring audit report will be presented to the THECB Committee on Agency Operations, a standing committee of the THECB Board, in October 2023.

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

Sincerely,



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

## **EXECUTIVE SUMMARY**

Our Lady of the Lake University complied with relevant Coordinating Board (THECB) rules and regulations for the Tuition Equalization Grant (TEG) Program and with Texas Administrative Code (TAC), Title 19, Part 1, Chapter 22, Subchapter B, Sections 22.21-22.30 in the areas of student eligibility, student award amounts, and program reconciliation.

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 conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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

We reviewed the following areas:

### **Award Amounts**

No reportable observations noted.

### **Student Eligibility**

No reportable observations noted.

### **Financial Need**

No reportable observations were noted.

### **Satisfactory Academic Progress**

No reportable observations were noted.

### **Residency**

No reportable observations were noted.

### **Selective Service Registration**

No reportable observations were noted.

## **Audit Scope, Objective, and Methodology**

Our compliance audit included tests of TEG disbursements during fiscal year 2022 for compliance with relevant criteria, including:

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

Our work included procedures to verify:

- Students met eligibility criteria including SAP requirements;
- Students demonstrated financial need;
- Students fulfilled residency requirements;
- Applicable students registered with the selective service system;
- Reported award amounts reconciled with Our Lady of the Lake University's student information system data and payment records; and
- Information security controls related to student information were sufficient for the limited purpose of our audit.

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 Our Lady of the Lake University accurately reported TEG data.

**Background**

The purpose of the TEG Program is to provide grants of money to enable eligible students to attend institutions of higher education in the state. During fiscal year 2022, there were 534 students at Our Lady of the Lake University who received award disbursements totaling \$2,013,451.

**PERFORMED BY:**

Ms. Jamyen Robinson-Hall, Senior Compliance Specialist  
c:

**THECB**

**Board Members**

**Commissioner's Office**

Dr. Harrison Keller, Commissioner of Higher Education  
Ms. Melissa Henderson, Chief of Staff  
Ms. Sarah Keyton, Associate Commissioner for Administration  
Ms. Nichole Bunker-Henderson, General Counsel

**Student Financial Aid Programs**

Dr. Charles W. Contéro-Puls, Assistant Commissioner  
Ms. DeChà Reid, Senior Director, Financial Aid Services

**Our Lady of the Lake University**

Mr. Paul Olivier, Chairman, Board of Trustees  
Mr. Anthony Turrietta, Vice President of Finance  
Ms. Esmerelda Flores, Director of Financial Aid  
Ms. Myra L. Elizondo-Martinez, Assistant Director of Financial Aid/Student Employment  
Ms. Marsha Eldridge, Associate Director of Financial Aid/Veteran Affairs

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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

**Texas Higher  
Education**  
COORDINATING BOARD

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TX 78701  
Mail: PO Box 12788, Austin, TX 78711-2788  
Phone: 512-427-6101  
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Harrison Keller, Ph.D.  
COMMISSIONER OF HIGHER  
EDUCATION

September 15, 2023

Dr. Ervin D. Seamster, Jr.  
President/CEO  
Southwestern Christian College  
PO Box 10  
Terrell, TX 75160

Re: *A Compliance Monitoring Audit of the Tuition Equalization Grant at  
Southwestern Christian College*, Report No. THECB-CM-FA-23-027

Dear Dr. Seamster,

I am attaching the final report on *A Compliance Monitoring Audit of the Tuition Equalization Grant at Southwestern Christian College*, Report No. THECB-CM-FA-23-027. There were three observations related to information technology controls, inaccurate reporting of student information, and noncompliance with Tuition Equalization Grant eligibility requirements resulting from this engagement. Management's response has been incorporated into the final report.

A follow up review will be performed to evaluate Southwest Christian College's corrective action to address the noted recommendations.

This Compliance Monitoring audit report will be presented to the THECB Committee on Agency Operations, a standing committee of the THECB Board, in October 2023.

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

Sincerely,



Arby James Gonzales, CPA, CFE  
Assistant Commissioner, Internal Audit and Compliance



## EXECUTIVE SUMMARY

Southwestern Christian College generally complied with relevant Coordinating Board (THECB) rules and regulations for the Tuition Equalization Grant (TEG) program and with Texas Administrative Code (TAC), Title 19, Part 1, Chapter 22, Subchapter B, Sections 22.21-22.32 in the areas of student eligibility and program reconciliation. However, improvement is needed related to information technology controls, inaccurate reporting of student information, and noncompliance with TEG eligibility requirements.

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 conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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

We reviewed the following areas:

### **Award Amounts**

Inaccurate reporting of student information noted.

### **Student Eligibility**

Noncompliance with TEG eligibility requirements noted.

### **Financial Need**

No reportable observations were noted.

### **Satisfactory Academic Progress**

No reportable observations were noted.

### **Residency**

No reportable observations were noted.

### **Selective Service Registration**

No reportable observations were noted.

## **Audit Scope, Objective, and Methodology**

Our compliance audit included tests of TEG disbursements during fiscal year 2022 for compliance with relevant criteria, including:

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

Our work included procedures to verify:

- Students met eligibility criteria including SAP requirements;

- Students demonstrated financial need;
- Students fulfilled residency requirements;
- Applicable students registered with the selective service system;
- Reported award amounts reconciled with SWCC's student information system data and payment records; and
- Information security controls related to student information were sufficient for the limited purpose of our audit.

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 Southwestern Christian College accurately reported TEG data.

### **Background**

The purpose of the TEG program is to provide grants of money to enable eligible students to attend private or independent Texas colleges or universities in the state. During fiscal year 2022, there were 28 students at Southwestern Christian College who received award disbursements totaling \$97,207.

## Detailed Observations, Recommendations and Management's Responses

### 1. Information security controls over key financial aid data need strengthening to improve reliability and integrity of data used for financial aid purposes.

Information security controls over key financial aid data need strengthening to improve reliability and integrity of data used for financial aid purposes. Internal controls and risk management policies need further development to safeguard personally identifiable and confidential information.

The Federal Trade Commission (FTC) has ruled that colleges are subject to the provisions of the Financial Services Act's Security Provisions. Under federal financial aid agreements and the Gramm-Leach-Bliley Act (GLBA), (See FTC 16 CFR 314.1-5), schools must protect student financial aid information. The GLBA requires institutions to, among other things,

- a) Develop, implement, and maintain a written information security program;
- b) Designate the employee(s) responsible for coordinating the information security program;
- c) Identify and assess risks to customer information;
- d) Design and implement an information safeguards program;
- e) Select appropriate service providers that are capable of maintaining appropriate safeguards; and
- f) Periodically evaluate and update their security program.

The institution did not provide sufficient documentation regarding information technology control policies and procedures indicating that internal control and risk management standards have not been fully implemented. In particular, a risk assessment was noted as a missing portion of the institution's information security program.

An institution should identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of such information and assess the sufficiency of any safeguards in place to control these risks. At a minimum, an institution's risk assessment should include consideration of risks in each relevant area of their operations and periodically perform additional risk assessments and the sufficiency of safeguards.

Other state and federal requirements also support the need for sufficient internal controls. First, per 2 CFR (Code of Federal Regulations) Section 200.303, federal grant rules strongly suggest the implementation of internal controls as described in "Standards for Internal Control in the Federal Government," commonly referred to as the "Green Book".

Second, Family Educational Rights and Privacy Act (FERPA) Title 34, Code of Federal Regulations, Subtitle A, Part 99, Subpart D, Section 99.31 [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."

And lastly, the Program Participation Agreement relating to financial aid between Southwestern Christian College and the THECB requires that Southwestern Christian College administer all THECB Program funds in accordance with state and federal laws.

**Recommendation:**

Develop policies and procedures, including a risk assessment, to meet the requirements of the Federal Trade Commission, the Gramm-Leach-Bliley Act, and other referenced guidance that pertain to internal controls and institutional information security systems.

**Management Response:**

*Student financial data and financial aid information are stored in Populi, a web-based student records management system. Populi in itself has controls in place at its data centers and access permission controls within the application. Populi adheres to SSAE 22 Type II compliance standards for data security, system privacy, data confidentiality, and data processing processes. Its data centers are compartmentalized with security zones requiring biometric access controls. The primary data center is backed up to a cloud-based data center. Data is backed up on a rolling basis: daily, weekly, and monthly. Populi is guarded by firewalls and overseen with proactive monitoring for hacking and probing attempts. All changes to financial data are tracked in system change logs. All financial transactions have a complete audit trail, which was provided upon request to the auditing board.*

*All user access to Populi occurs over 256-bit SSL-encrypted connections. User logins require alphanumeric passwords and two-factor authentication is required for all Southwestern Christian College's (SwCC) staff with administrative rights to data. User accounts are locked after too many failed login attempts. User sessions are subject to automated timed logouts after a certain period of inactivity. Information access in Populi is based on an individual user's role-based permissions. Roles are periodically checked by the institution's Populi Administrator, Dr. Jackson. We ensure no employee has more access than necessary to carry out assigned duties.*

*Populi's privacy policy can be found at <https://populi.co/legal/privacy/>. Populi's privacy officer can be contacted at [info@populi.co](mailto:info@populi.co), PO Box 9481, Moscow, ID 83843, 877-476-7854.*

*The institution recognizes the need for physical, administrative, and technological controls to protect student data. The institution will develop and maintain an information technology policy and procedures manual and conduct an IT security risk assessment to meet the requirements of the Federal Trade Commission, the Gramm-Leach-Bliley Act, and other referenced guidance that pertain to internal controls and institutional information security systems.*

*To identify and assess risks to student information, we've entered into a memorandum of understanding (MOU) for cybersecurity services with Student Freedom Initiative, Inc. and Cisco Systems, Inc. to achieve National Institute of Standards and Technology (NIST) compliance. NIST is a codification of the requirements that any non-federal computer system must follow to store, process, or transmit controlled unclassified information (CUI) and provide security protection for such systems.*

*The person who will be responsible for this corrective action plan, participating in the security risk assessment, and coordinating the information security program. will be Dr. Lisa Jackson and Randolph Byrd. Dr. Jackson is the IT Coordinator and Populi Administrator overseeing the student record management system at SwCC. Dr. Jackson is an expert in data breaches and holds IT security certifications such as Certified Ethical Hacker, License Penetration Tester, and McAfee Security Professional. Mr. Byrd is knowledgeable in computer hardware, security, and networking. We have the staff and resources to ensure student financial data is protected.*

*I'm confident the aforementioned measures will identify and assess risks to student data, provide information safeguards, and ensure service providers are capable of maintaining appropriate safeguards, and we will be equipped to periodically evaluate and update said security program. These corrective measures have not yet begun, but we anticipate completion by the end of the current academic year, June 2024.*

## **2. Financial aid data reporting policies and procedures need improvement.**

Financial aid data reporting policies and procedures need improvement. The Program Participation Agreement relating to financial aid between Southwestern Christian College and the THECB requires that Southwestern Christian College submit such financial aid reports as required and that all reports are complete and accurate.

Student financial aid data was not accurately reported to the THECB on the Financial Aid Database (FADs) report in eight out of 28 (28%) student records. Southwestern Christian College misreported the TEG award amount disbursed in five records and other financial data was misreported on an additional three out of 28 student records.

Number of Students	Misreported Section
5 of 28 (18%)	Award disbursement
3 of 28 (11%)	Student information
<b>8 of 28 (28%)</b>	<b>Total number of misreported occurrences</b>

Southwestern Christian College relies on manual entry for both entering data into their financial aid system and for separate preparation of the Financial Aid Database report that also relies on the data that has been entered into their system. Existing data entry controls and report preparation controls lack adequate review procedures and were insufficient to prevent errors in both data entry and report preparation.

### **Recommendation:**

Improve policies and procedures to accurately report financial aid data to the THECB. In particular, strengthen data entry controls and report preparation controls with additional and improved review procedures to prevent errors in both data entry and FADs report preparation.

### **Management Response:**

*The FAD report is entered manually which resulted in the data entry errors. A new financial aid staff member has been added (Mrs. Lareisha Thomas) and she will provide an additional review of each FAD report prior to its submission to the THECB.*

## **3. Policies and procedures need improvement to comply with TEG eligibility requirements regarding eligible degree plans.**

Policies and procedures need improvement to comply with TEG eligibility requirements regarding eligible degree plans. Southwestern Christian College issued TEG awards to two (2) students with a "Religious Studies" major for the 2021-2022 academic year. According to the Texas Administrative

Code (TAC), Title 19, Part 1, Chapter 22, Subchapter B, Section, Section 22.24 (a)(5), “To receive an award through the TEG program, a student must be enrolled in an approved institution in an individual degree plan...but not in a degree plan that leads to ordination, licensure to preach or a career in church work.” In our review we noted the following:

Number of Students	Degree Plan/Major	Total Amounts Awarded
2 of 28 (7%)	Religious Studies	\$7,800

Southwestern Christian College indicated that the definitions of the majors that lead to religious ministry had not been thoroughly reviewed and compared to majors offered. During this engagement, the institution sought a more robust understanding of the criteria for eligible majors and reviewed majors offered by the institution and identified all ineligible students.

**Recommendation:**

1. Refund \$7,800 in ineligible Tuition Equalization Grant awards to the Texas Higher Education Coordinating Board.
2. Improve policies and procedures to comply with TEG eligibility requirements regarding eligible degree plans. (Texas Administrative Code Title 19, Part 1, Chapter 22, Subchapter B, Section 22.24(a)(5)).

**Management Response:**

*No religion majors will be awarded TEG moving forward. A new financial aid staff member has been added (Mrs. Lareisha Thomas) and she will provide an additional review of each FAD report prior to its submission to the THECB. The institution will issue a refund within 14 days of receipt of wiring instructions.*

**PERFORMED BY:**

Ms. Elizabeth Steele, Compliance Specialist  
c:

**THECB**

**Board Members**

**Commissioner's Office**

Dr. Harrison Keller, Commissioner of Higher Education  
Ms. Melissa Henderson, Chief of Staff  
Ms. Sarah Keyton, Associate Commissioner for Administration  
Ms. Nichole Bunker-Henderson, General Counsel

**Student Financial Aid Programs**

Dr. Charles W. Contéro-Puls, Assistant Commissioner  
Ms. DeChà Reid, Senior Director, Financial Aid Services

**Southwestern Christian College**

Mr. John H. Dansby, Sr, Chairman, Board of Trustees  
Dr. Lisa Jackson, Chief Academic Officer, Populi Administrator  
Mr. Kenny Fox, Comptroller  
Ms. Valerie Urquhart, Chief Financial Officer  
Mr. Eric King, Director of Financial Aid

**Independent Colleges and Universities in Texas**

Ms. Elizabeth Puthoff, President

**State Auditor's Office**

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

**Texas Higher  
Education**  
COORDINATING BOARD

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TX 78701  
Mail: PO Box 12788, Austin, TX 78711-2788  
Phone: 512-427-6101  
Fax: 512-427-6127

Fred Farias III, O.D.  
CHAIR

Donna N. Williams  
VICE CHAIR

S. Javaid Anwar  
SECRETARY OF THE BOARD

Cage M. Sawyers  
STUDENT REPRESENTATIVE

Richard L. Clemmer  
Stacy A. Hock  
Emma W. Schwartz  
Ashlie A. Thomas  
Welcome Wilson, Jr.  
Daniel O. Wong

Harrison Keller, Ph.D.  
COMMISSIONER OF HIGHER  
EDUCATION

September 15, 2023

Dr. Michael J. Sorrell  
President  
Paul Quinn College  
3837 Simpson Stuart Rd  
Dallas, Texas, 75241

Re: *A Compliance Monitoring Audit of the Tuition Equalization Grant (TEG) at Paul Quinn College*, Report No. THECB-CM-FA-23-026

Dear Dr. Sorrell,

I am attaching the final report on *A Compliance Monitoring Audit of the Tuition Equalization Grant at Paul Quinn College*, Report No. THECB-CM-FA-23-026. There was one observation related to misreporting of student information resulting from this engagement. Management's response has been incorporated into the final report.

A follow up review will be performed to evaluate Paul Quinn College's corrective action to address the noted recommendation.

This Compliance Monitoring audit report will be presented to the THECB Committee on Agency Operations, a standing committee of the THECB Board, in October 2023.

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

Sincerely,



Arby James Gonzales, CPA, CFE  
Assistant Commissioner, Internal Audit and Compliance



## **EXECUTIVE SUMMARY**

Paul Quinn College substantially complied with relevant Coordinating Board (THECB) rules and regulations for the Tuition Equalization Grant (TEG) Program and with Texas Administrative Code (TAC), Title 19, Part 1, Chapter 22, Subchapter B, Sections 22.21-22.32 in the areas of student eligibility and program reconciliation. However, improvement is needed related to misreporting of student information.

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 conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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

We reviewed the following areas:

### **Award Amounts**

Inaccurate reporting of student information noted.

### **Student Eligibility**

No reportable observations noted.

### **Financial Need**

No reportable observations were noted.

### **Satisfactory Academic Progress**

No reportable observations were noted.

### **Residency**

No reportable observations were noted.

### **Selective Service Registration**

No reportable observations were noted.

## **Audit Scope, Objective, and Methodology**

Our compliance audit included tests of TEG disbursements during fiscal year 2022 for compliance with relevant criteria, including:

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

Our work included procedures to verify:

- Students met eligibility criteria including SAP requirements;
- Students demonstrated financial need;
- Students fulfilled residency requirements;
- Applicable students registered with the selective service system;
- Reported award amounts reconciled with Paul Quinn College's student information system data and payment records; and
- Information security controls related to student information were sufficient for the limited purpose of our audit.

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 Paul Quinn College accurately reported TEG data.

**Background**

The purpose of the TEG Program is to provide grants of money to enable eligible students to attend institutions of higher education in the state. During fiscal year 2022, there were 200 students at Paul Quinn College who received award disbursements totaling \$458,259.

## Detailed Observation, Recommendation and Management's Response

### Financial aid data reporting policies and procedures need improvement.

Financial aid data reporting policies and procedures need improvement. The Program Participation Agreement relating to financial aid between Paul Quinn College and the THECB requires that Paul Quinn College submit such financial aid reports as required and that all reports are complete and accurate.

Award disbursements were not accurately reported to the THECB on the Financial Aid Database (FADs) report in two out of 59 (3%) of student records sampled. Three additional student records outside of the sample were confirmed as misreported by Paul Quinn College, totaling five occurrences.

Paul Quinn College relies on manual entry for both entering data into their financial aid system and for separate preparation of the Financial Aid Database report that also relies on the data that has been entered into their system.

### Recommendation:

Improve policies and procedures to accurately report financial aid data to the THECB. In particular, strengthen report preparation controls with additional and improved review procedures to prevent errors in the FADs report preparation.

### Management Response:

*Paul Quinn College has taken the following steps to correct data and reporting issues in Financial Aid. The Chief Administrative Officer is responsible for monitoring the work of the Interim Financial Aid Director, the Director of Research and Institutional Effectiveness. The Interim FA Director has implemented a TEG Calculator to standardize the process for determining the amount a student can be awarded. This standardization process will assist in completing the awarding and disbursement process on campus in a timely manner. Previous processes included adjusting student awards manually after initial awards were made. The TEG Calculator will support the identification of the correct TEG award amount at the point of award letter development, which is then locked in for the year.*

*Creating additional time for data review and testing will allow the FA Office and the Research Office to spend the needed time to review and test data for effective reporting without the concern of adjusted awards.*

*These two staff members are in position and already report to the Chief Administrative Officer. The review and reporting of fall 2023 and spring 2024 TEG data to demonstrate improved processes will be completed with the FA Award year. We expect to provide a written update on our process and outcomes with the submission of the 2023-2024 FADB report and an updated narrative on our internal processes and findings will be submitted to the appropriate THECB officer after the close of our fiscal year, July 2024.*

**PERFORMED BY:**

Ms. Jamyen Robinson-Hall, Senior Compliance Specialist  
c:

**THECB**

**Board Members**

**Commissioner's Office**

Dr. Harrison Keller, Commissioner of Higher Education  
Ms. Melissa Henderson, Chief of Staff  
Ms. Sarah Keyton, Associate Commissioner for Administration  
Ms. Nichole Bunker-Henderson, General Counsel

**Student Financial Aid Programs**

Dr. Charles W. Conté-Puls, Assistant Commissioner  
Ms. DeChà Reid, Senior Director, Financial Aid Services

**Paul Quinn College**

Mr. Don J. Clevenger, ESQ., Chair, Board of Trustees  
Dr. Kizwanda Grant, Chief Administrative Officer  
Ms. Barbara Grimm, Interim Director of Financial Aid  
Mr. Bruce Brinson, Chief Financial Officer

**Independent Colleges and Universities in Texas**

Ms. Elizabeth Puthoff, President

**State Auditor's Office**

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

### Compliance Monitoring Corrective Action Status Report - October 2023

<u>Project</u>	<u>Issue date</u>	<u>Recommendation</u>	<u>Expected</u>	<u>Status</u>
Coastal Bend College (Perkins)	5/12/2022	Update Inventory Control Policy	Oct-23	Not Verified
Coastal Bend College (Perkins)	5/12/2022	Establish Centralized Inventory Control	Oct-23	Not Verified
South Plains College (TEOG)	9/19/2022	Update existing degree eligibility review	May-23	Completed, Not Verified
South Plains College (TEOG)	9/19/2022	Return \$3310 to THECB	May-23	Completed, Not Verified
Howard County Junior College (TEOG)	12/16/2022	Update TEOG Tuition Matching procedures	Dec-22	Not Verified
Howard County Junior College (TEOG)	12/16/2022	Corrective Plan to reimburse students	Sep-23	Not Verified
Wayland Baptist University (TEG)	12/16/2022	Update Selective Service review procedures	Dec-22	Not Verified
Wayland Baptist University (TEG)	12/16/2022	Return \$5130 to THECB	Dec-22	Completed, Not Verified
Austin Community College (FF)	5/1/2023	Update Information Security controls	Jun-23	Not Verified
Paul Quinn College (TEG)	9/15/2023	Update financial aid reporting procedures	Jul-24	New
Southwestern Christian College (TEG)	9/15/2023	Strengthen Information Security controls	Jun-24	New
Southwestern Christian College (TEG)	9/15/2023	Update financial aid reporting procedures	Feb-24	New
Southwestern Christian College (TEG)	9/15/2023	Update existing degree eligibility procedures	Oct-23	New
Southwestern Christian College (TEG)	9/15/2023	Return \$7800 to THECB	Oct-23	New

LEGEND	
New	Recommendation is newly reported.
Verified	Verified - Recommendation has been verified as implemented.
Completed, Not Verified	Completed, Not Verified - Recommendation has been completed but has not been tested and verified as implemented.
Not Verified	Not verified - Recommendation is in progress or pending verification.
Verified as not Implemented	Verified as not implemented - Verification determined that either no corrective action was taken, or the corrective action taken did not mitigate the identified risk.

Agency Operations Committee

AGENDA ITEM VIII

Adjournment