

Annual State Compliance Monitoring Plan for FY 2023

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Internal Audit and Compliance July 2022



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Internal Audit and Compliance Monitoring

Overview - The Internal Audit and Compliance Monitoring department includes 12 FTE over three primary areas

- Multiple-area Responsibilities: 2 FTE (Assistant Commissioner and Assistant Director)
- Internal Audit: 2 FTE
- State Compliance Monitoring: 5 FTE
- Federal Compliance: 3 FTE

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State Compliance Monitoring Plan

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

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

State Compliance Monitoring Plan

Additional Detail for State CM Plan

- State CM is quantitative centric, compliance-based, and more quantifiable across many institutions. State CM has specific statutory requirements for risk-based review.
- State CM has specific statutory risk assessment categories:
 - The amount of student financial assistance or grant funds allocated to the institution by the Board;
 - Whether the institution is required to obtain and submit an independent audit;
 - The institution's system of internal controls;
 - The length of time since the institution's last desk review or site visit;
 - Past misuse of funds or misreported data by the institution; and
 - Regarding data verification, whether the data reported to the Board by the institution is used for determining funding.



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Questions?