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April 9, 2020

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

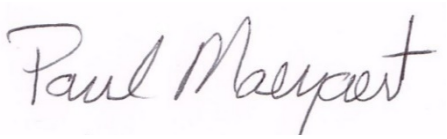
Dear Dr. May,

I am attaching the final report on *A Compliance Monitoring Audit of Formula Funding at Dallas County Community College District - Cedar Valley College,* Report No. THECB-CM-FF-20-015. There were no findings resulting from this engagement.

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

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

Sincerely,



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

EXECUTIVE SUMMARY

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

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and recommendations based on our audit objectives. We believe the evidence obtained provides a reasonable basis for the findings and recommendations, if any, based on the audit objectives.

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

We reviewed the following areas:

Reported Semester Credit Hours were Eligible for Formula Funding
No reportable findings were noted.

Student Tuition Payment was Received in Accordance with Requirements
No reportable findings were noted.

Reported Enrollment was Eligible for Formula Funding
No reportable findings were noted.

Instructors of Record met Applicable Requirements
No reportable findings were noted.

Audit Scope, Objective, and Methodology

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

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

Our work included procedures to verify:

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

The audit methodology included objectively reviewing and analyzing various forms of documentation, conducting interviews and observations, and performing other tests of controls necessary to achieve the objectives of the audit. THECB used random sampling to determine the extent to which Dallas County Community College District - Cedar Valley College accurately reported semester credit hour data.

Background

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

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

PERFORMED BY:
Ms. Carol Conner, CFE, Compliance Specialist

cc:

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