



# TEXAS HIGHER EDUCATION COORDINATING BOARD

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April 13, 2020

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

Dear Dr. Smatresk,

I am attaching the final report on *A Compliance Monitoring Audit of the TEXAS Grant at University of North Texas*, Report No. THECB-CM-FA-20-013. There were no findings resulting from this engagement.

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

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

Sincerely,

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

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

## EXECUTIVE SUMMARY

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

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

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

We reviewed the following areas:

### **Award Amounts**

No reportable findings were noted.

### **Student Eligibility**

No reportable findings were noted.

### **Financial Need**

No reportable findings were noted.

### **Satisfactory Academic Progress**

No reportable findings were noted.

### **Residency**

No reportable findings were noted.

### **Selective Service Registration**

No reportable findings were noted.

## Scope, Objective, and Methodology

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

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

Our work included procedures to verify:

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

The audit methodology included objectively reviewing and analyzing various forms of documentation, conducting interviews and observations, and performing other tests of controls necessary to achieve the objectives of the audit. THECB used random and judgmental sampling to determine the extent to which the University of North Texas accurately reported TEXAS Grant data.

## Background

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

**PERFORMED BY:**

Ms. Carol Conner, CFE, Compliance Specialist

CC:

**THECB****Board Members****Commissioner's Office**

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Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Mr. William Franz, General Counsel

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

**Student Financial Aid Programs**

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

**University of North Texas**

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

Mr. Clay Simmons, Chief Compliance Officer

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