

The Texas A&M University System Internal Audit Department



Monthly Audit Report
September 16, 2020

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Tarleton State University
Tuition and Fees



System Internal Audit
THE TEXAS A&M UNIVERSITY SYSTEM

TARLETON STATE UNIVERSITY

TUITION AND FEES

September 16, 2020

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Chief Auditor**

Project #20200402



Overall Conclusion

Internal controls over tuition and fees at Tarleton State University are operating as intended and in compliance with applicable laws and policies.

Summary Table

Audit Areas	Controls Assessment
Exemptions and Waivers	Effective – No Observations
Sponsored Student Billing	Effective – No Observations
Sponsored Student Collections	Effective – No Observations
Student Billing	Effective – No Observations
Tuition Set-Asides	Effective – No Observations

Basis of Audit

Objective, Scope, & Methodology

The overall objective of this audit was to determine if internal controls for tuition and fees at Tarleton State University were in place to ensure compliance with applicable laws and policies.

The audit period was primarily April 2019 through March 2020. Fieldwork was conducted from May 2020 to August 2020.

Our audit methodology included interviews, review of documentation, and testing of data using sampling as follows:

Audit Objective	Methodology
<p>Determine whether tuition waivers and exemptions are being properly applied to the accounts of eligible students and that documentation of eligibility is kept on file.</p>	<p>Auditors used professional judgment to select a nonstatistical sample of 20 student tuition waivers from the fall 2019 semester to ensure the sample included a variety of waiver types. Documentation of eligibility and billing statements were reviewed for proper application of waivers.</p> <p>Auditors used professional judgment to select a nonstatistical sample of 30 student tuition exemptions from the fall 2019 semester to ensure the sample included a variety of exemption types. Documentation of eligibility and billing statements were reviewed for proper application of exemptions.</p>
<p>Determine if sponsored student billing is accurate and complete based on sponsor contracts and agreements.</p>	<p>Auditors used professional judgment to select a nonstatistical sample of 25 students from 4 sponsors from the fall 2019 semester with a focus on higher dollar value accounts. Sponsor contracts and billing statements were reviewed for accuracy.</p>
<p>Determine if collection efforts are being made on sponsored student past due accounts.</p>	<p>Auditors used professional judgment to select a nonstatistical sample of the only 2 sponsors from the fall 2019 semester with an outstanding balance as of the time of testing. Sponsor contracts, billing statements, and other sponsor correspondence were reviewed for appropriate and timely collection efforts.</p>
<p>Determine whether students are being billed accurately pursuant to applicable tuition and fee plans.</p>	<p>Auditors used professional judgment to select a nonstatistical sample of 30 students from the fall 2019 semester to ensure the sample included a variety of billing cohorts, resident types, campus locations, and undergraduate/graduate status.</p>

Audit Objective	Methodology
	Documentation of tuition and fee tables, student schedules, and billing statements were reviewed for accurate billing. Auditors re-calculated the tuition and fee amounts for accuracy.
Determine if tuition set-aside mathematical calculations are accurate and if funds are being monitored to transfer to the Texas Higher Education Coordinating Board (THECB) as applicable.	Auditors used professional judgment to select a nonstatistical sample of 2 calendar months of set-aside calculations to include a month from the fall and spring semesters. Documentation of set aside calculations was obtained for both designated tuition and Texas Public Educational Grant (TPEG) for the selected months and the set aside amount was re-calculated using the source data provided. Additionally, auditors reviewed the year end set-aside amount and account balance to determine if funds should be transferred to THECB.

Controls Assessment Classification

Audit areas highlighted in red in the Summary Table are considered to have significant weaknesses in internal controls. Significant weaknesses include errors, deficiencies, or conditions which result in one or more violations of internal controls, laws, A&M System policies, or member rules. These violations have a high probability for legal consequences, financial consequences, or negative impacts to the organization’s reputation. These are situations in which a CEO, provost, vice president, dean, or director need to be involved in the problem resolution.

Audit areas highlighted in yellow in the Summary Table are considered to have notable weaknesses in internal controls. Notable weaknesses include errors, deficiencies or conditions which result in minor to moderate noncompliance with internal controls, laws, A&M System polices, or member rules. These are situations which can and should be corrected at the department or supervisor level.

Audit areas highlighted in green in the Summary Table are considered to have effective internal controls.

Items that were not significant or notable were communicated to management during the course of the audit.

Criteria

Our audit was based upon standards as set forth in the following:

- Texas A&M University System Policies and Regulations
- Tarleton State University Rules and Standard Administrative Procedures
- Other sound administrative practices

The audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted the audit in accordance with generally accepted government auditing standards (GAGAS). 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. The Office of Internal Audit is independent per the GAGAS standards for internal auditors.

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