TABLE OF CONTENTS

- Texas A&M University
  Residence Life

- Texas A&M University-Corpus Christi
  Tuition and Fees
TEXAS A&M UNIVERSITY

RESIDENCE LIFE

June 14, 2023

Charlie Hrnčíř, CPA
Chief Auditor
Overall Conclusion

Internal controls over Residence Life at Texas A&M University are operating as intended and in compliance with applicable laws and policies.

The department of Residence Life had revenues for fiscal year 2022 of $104 million, and their buildings and equipment were valued at $299 million at the end of fiscal year 2022. The department has over 400 employees and is responsible for managing and operating on-campus housing for undergraduate students, graduate students, and conference guests. On-campus housing includes:

- Twenty-five non-cadet residence halls with accommodations for approximately 7,200 students
- Twelve Corps of Cadets residence halls with accommodations for approximately 2,500 cadets
- Thirteen apartment buildings which house approximately 2,100 students and families

Summary Table

<table>
<thead>
<tr>
<th>Audit Areas</th>
<th>Controls Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Access</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Clery Act (CSA) Training</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Deferred Maintenance</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Financial Analysis and Reporting</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Payment Cards</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Safety Inspections</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Title IX Training</td>
<td>Effective – No Observations</td>
</tr>
</tbody>
</table>
Basis of Audit

Objective, Scope, & Methodology

The overall objective of this audit was to determine if internal controls over Residence Life at Texas A&M University are operating as intended and in compliance with applicable laws and policies.

The audit focused on the following areas:

- Building access
- Clery Act (CSA) training
- Deferred maintenance
- Financial analysis and reporting
- Payment cards
- Safety inspections
- Title IX training

The audit period was primarily September 1, 2021 to October 31, 2022. Fieldwork was conducted from January 2023 to April 2023.

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

<table>
<thead>
<tr>
<th>Audit Objective</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Building Access</strong></td>
<td>Auditors gained an understanding of the process for assigning and removing</td>
</tr>
<tr>
<td></td>
<td>physical key and card access for student residence halls and apartments.</td>
</tr>
<tr>
<td></td>
<td>Auditors used professional judgment to select a nonstatistical sample of 30</td>
</tr>
<tr>
<td></td>
<td>previous (student) tenants, 30 terminated employees, and 30 third-party/vendor employees and verified their building access was removed in a timely manner after move-out or termination.</td>
</tr>
<tr>
<td><strong>Clery Act (CSA) Training</strong></td>
<td>Auditors used professional judgment to select a nonstatistical sample of 30</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Objective</td>
<td>Methodology</td>
</tr>
<tr>
<td>---------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Determine whether employees designated as campus security authorities have completed required Clery Act training timely and in compliance with requirements.</td>
<td>employees identified as CSAs and reviewed applicable training records.</td>
</tr>
<tr>
<td>Deferred Maintenance</td>
<td>Auditors gained an understanding of the processes in place to identify and prioritize deferred maintenance needs.</td>
</tr>
<tr>
<td>Determine if the university has adequate deferred maintenance plans and processes for residence life buildings.</td>
<td>Auditors obtained the facility assessment and deferred maintenance plans for student housing and reviewed plans and supporting documentation for reasonableness, accuracy, and completeness.</td>
</tr>
<tr>
<td>Financial Analysis and Reporting</td>
<td>Auditors reviewed financial reports and other supporting documentation used by the university and department for accuracy and completeness and to determine whether analysis of all applicable revenues and expenses were included.</td>
</tr>
<tr>
<td>Determine whether financial reports were accurate, complete, and demonstrate an analysis of all revenues and expenses.</td>
<td></td>
</tr>
<tr>
<td>Payment Cards</td>
<td>Auditors gained an understanding of the processes in place for obtaining a payment card, and the payment card purchasing, approval, and statement preparation processes.</td>
</tr>
<tr>
<td>Determine whether selected payment card transactions are reasonable and in compliance with procedures.</td>
<td>Auditors reviewed training records for individual payment card holders to determine if required training had been completed within the last two years in accordance with university policy.</td>
</tr>
<tr>
<td></td>
<td>Auditors performed data analysis on the department’s population of payment card transactions and cardholders during the audit period to identify the</td>
</tr>
</tbody>
</table>
## Audit Objective | Methodology
--- | ---
 | following subsets of data for further review:
 - Top 50 transactions
 - Even dollar transactions
 - Potential duplicate transactions
 - Potential split transactions
 - Sum by cardholder
 - Sum by object code
 - Sum by merchant name

The results of the data analysis were analyzed and reviewed for reasonableness.

Auditors used professional judgment to select a nonstatistical sample of 10 payment card statements approved during the audit period. Documentation for the statements and related transactions was obtained and reviewed for reasonableness and compliance with purchasing/expenditure requirements and procedures.

### Safety Inspections
Determine whether inspections are completed timely and whether identified deficiencies are addressed in a timely manner.

Auditors used professional judgment to select a nonstatistical sample of 10 residence halls and obtained the related documentation for the Fire and Life Safety Inspection Reports performed during the audit period for those buildings.

Documentation was reviewed to determine whether appropriate and timely corrective actions were taken for deficiencies identified during the inspections.

### Title IX Training

Auditors used professional judgment to select a nonstatistical sample of 30
<table>
<thead>
<tr>
<th>Audit Objective</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Determine whether employees are in compliance with Title IX training requirements.</td>
<td>Residence Life employees and reviewed applicable training records.</td>
</tr>
</tbody>
</table>

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 policies, 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
- Texas A&M University Rules and Standard Administrative Procedures
- Departmental 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.
Audit Team

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Debbie Bugenhagen
Lisa Cauvel
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Texas A&M University-Corpus Christi

Tuition and Fees

June 14, 2023

Charlie Hrnčír, CPA
Chief Auditor
Overall Conclusion

Internal controls over tuition and fees at Texas A&M University-Corpus Christi are operating as intended and in compliance with applicable laws and policies.

The university had 10,779 students enrolled in the fall semester of 2022. Fiscal year 2022 net tuition and fee revenue was approximately $88 million which accounts for 61% of the university's operating revenue.

Summary Table

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<tr>
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<td>Exemptions</td>
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<tr>
<td>Student Billing</td>
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</tr>
<tr>
<td>Student Fee Advisory Committee Processes</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Tuition Set-Asides</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Waivers</td>
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</tr>
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</table>
Basis of Audit

Objective, Scope, & Methodology

The overall objective of this audit was to determine if internal controls over tuition and fee processes at Texas A&M University-Corpus Christi are operating as intended and in compliance with applicable laws and policies.

The audit focused on the following areas:

- Exemptions
- Student billing
- Student fee advisory committee processes
- Tuition set-asides
- Waivers

The audit period was primarily January 1, 2022 to February 28, 2023. Fieldwork was conducted from April 2023 to May 2023.

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

<table>
<thead>
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<th>Audit Objective</th>
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<tr>
<td>Exemptions</td>
<td>Auditors used professional judgment to select a nonstatistical sample of 30 student tuition exemptions from the fall 2022 and spring 2023 semesters to ensure the sample included a variety of exemption types. Documentation of eligibility and billing statements were reviewed for proper application of exemptions.</td>
</tr>
<tr>
<td>Student Billing</td>
<td>Auditors used professional judgment to select a nonstatistical sample of 30 students from the fall 2022 semester to ensure the sample included a variety of billing cohorts, resident types, campus locations, and undergraduate/graduate status. Documentation of tuition and fee tables, student schedules, and</td>
</tr>
<tr>
<td>Audit Objective</td>
<td>Methodology</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td><strong>Student Fee Advisory Committee Processes</strong></td>
<td>Auditors gained an understanding of student fee advisory committee processes. Auditors obtained and reviewed supporting documentation to determine whether the university complied with the required guidelines.</td>
</tr>
<tr>
<td>Determine whether the university’s student fee advisory committee and its processes are operating as intended and in compliance with required guidelines.</td>
<td></td>
</tr>
<tr>
<td><strong>Tuition Set-Asides</strong></td>
<td>Auditors used professional judgment to select a nonstatistical sample of the spring 2022 semester set-aside calculations. Documentation of set-aside calculations was obtained for both designated tuition and the Texas Public Educational Grant (TPEG) for the selected semester, and the set-aside amount was recalculated 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 the Texas Higher Education Coordinating Board (THECB).</td>
</tr>
<tr>
<td>Determine if tuition set-aside calculations are accurate and if funds are being monitored to transfer to the Texas Higher Education Coordinating Board (THECB), as applicable.</td>
<td></td>
</tr>
<tr>
<td><strong>Waivers</strong></td>
<td>Auditors used professional judgment to select a nonstatistical sample of 30 student tuition waivers from the fall 2022 and spring 2023 semesters to ensure the sample included a variety of waiver types. Documentation of eligibility and billing statements were reviewed for proper application waivers.</td>
</tr>
<tr>
<td>Determine whether tuition waivers are being properly applied to the accounts of eligible students and that documentation of eligibility is retained.</td>
<td></td>
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Controls Assessment Classification

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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
- Texas A&M University-Corpus Christi Rules and Standard Administrative Procedures
- Texas Administrative Code
- Texas Government Code
- Texas Education Code
- 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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