Texas A&M University-Corpus Christi
SACS: Self-Study Report

3.10.3 The institution audits financial aid programs as required by federal and state regulations. (Financial aid audits)

Compliance Status: Compliance

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| Texas A&M University-Corpus Christi conducts regular audits of its financial aid programs as required by federal and state regulations. Texas A&M University-Corpus Christi has not received any limitations, suspensions or terminations from the U.S. Department of Education with regard to student financial aid or other financial aid programs during the previous three years [1]. According to the information extracted from the Student Information System (known as BANNER), approximately 65 percent of Texas A&M-Corpus Christi students received some form of financial aid during the 2007-08 academic year. During the 2007-08 academic year, federal disbursements including administrative cost totaled $47,727,726 while state-based programs totaled $4,498,201 [2]. Pell Grants including administrative cost accounted for $7,894,591 [2] and Federal Family Education Loan Program totaled $38,605,289, [2]. Texas A&M University-Corpus Christi prepares the supplemental Schedule 1A to the Annual Financial Statements, which provides expenditure data for federal disbursements as well as other federal awards [3]. The amount reported for the Federal Family Education Loan Program was underreported by $515,163.17 due to an administrative error that did not include the second guarantor of Education Loan Management Resources in the totals. Department of Education certified default rates for Texas A&M-Corpus Christi averaged approximately 5.5 percent across the three-year span of fiscal years 2004-06 (5.6 percent, 5.3 percent and 5.5 percent) [4]. A more detailed discussion of compliance with federal requirements (including audit requirements) for Title IV funding is available in the response to Principle 4.7 [5].

As part of the Statewide Single Audit, the Texas State Auditor's Office is responsible for conducting annual financial [6] [7] and federal audits [8] [9] of state agencies and higher education institutions. According to the single-wide audit report for fiscal year August 31, 2008, "The state auditor's office conducts this audit so that the State can comply with legislation and federal grant requirements to obtain an opinion regarding the material accuracy of its basic financial statements and a report on internal controls related to those statements." [10] The results of these audits are made available to federal agencies that award grants.

The Texas Higher Education Coordinating Board (THECB) also provides monitoring and reporting oversight. Annually, a report is prepared by the Financial Aid Office to provide information on the awards to students from the majority of federal and state programs, as well as, other scholarship funds administered by the University [11]. The Texas A&M University System performs internal audits and completed an FY 2006-08 audit entitled "Review of Student Financial Aid Processes" [12]. The Texas A&M University System Internal Audit made three recommendations for improvements, including: limit access to financial aid information, add more centralized monitoring and detailed guidelines for scholarship, and update consortium agreements. According to Report Number 20081503, "At Texas A&M University-Corpus Christi, the financial and management controls over the financial aid processes generally ensure resources are used effectively and efficiently and in compliance with laws and regulations except for weaknesses in the protection of financial aid information and scholarship administration." |
The Texas A&M University-Corpus Christi Financial Aid Office is audited in accordance with the Office of Management and Budget Circular A-133. The engagement letters for the past two audits define the parameters for the audit. The fiscal year 2006 audit, completed in February 2007, had no material findings or issues of noncompliance on the Federal Portion of the Statewide Single Audit Report for the Fiscal Year Ended August 31, 2006. There were minor findings for the 2008 Statewide Single Audit which are detailed in the Prior Year Findings Follow-Up Reports 09-54 and 09-55. The fiscal year 2008 Schedule of Expenditure of Federal Awards (SEFA) audit was completed February 2009 with no material findings for financial aid. Texas A&M University-Corpus Christi has not received any limitations, suspensions or terminations from the U.S. Department of Education with regard to student financial aid or other financial aid programs during the previous three years. There are no reimbursements or exceptional statuses with regard to federal or state financial aid.

**Conclusion**

Audits of financial aid programs are conducted as required by federal and state regulations at Texas A&M University-Corpus Christi. The financial aid programs are overseen and audited by the federal and state government, the Texas Higher Education Coordinating Board, and the Texas A&M University System. Audits for the past three years have not resulted in any limitations, suspensions, or terminations from the U.S. Department of Education with regard to student financial aid or other financial aid programs.

**Evidence**

- UD 083 3.10.3-01 US Dept of Ed Federal Student Aid Approval Letter
- SD 053 3.10.3-02 Financial Aid Federal and State Disbursement AY 2007-08
- UD 084 3.10.3-03 Annual Financial Report Schedule A-1 FY Ended 08-31-2008
- UD 085 3.10.3-03 Official Cohort Default Rate (FY 2005 2006 and 2007) for A&M-Corpus Christi from US DOE
- UD 086 3.10.3-10 Undergraduate Financial Aid Awards by Source AY 2007-08
- SD 058 Federal Portion of the Statewide Single Audit Report for the fiscal year ended August 31, 2008
- SD 162 Quote from the Financial Portion of the Year Ended August 31, 2008, page ii
- BD 081 3.10.3-11 TAMUS Internal Audit Project 20081503
- UD 087 3.10.3-10 Office of Financial Assistance home page
- UD 088 3.10.3-11 Financial Aid Audit Engagement Letter Dated February 20, 2009
- UD 089 3.10.3-10 Financial Aid Audit Engagement Letter FY 06
- SD 059 3.10.3-13 State Auditors Office Federal Portion of the Statewide Single Audit Reports for Fiscal Years Ended August 31, 2006 and 2005
- UD 090 3.10.3-14 Prior Year Findings Follow-Up Report 09-54 Eligibility
- UD 091 3.10.3-15 Prior Year Findings Follow-Up Report 09-55

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