PROJECT SUMMARY

Texas A&M University has processes in place to provide reasonable assurance that differential tuition is spent as intended. The six colleges that receive differential tuition have established procedures to monitor use of the funds in compliance with the Board of Regents approved purpose for charging differential tuition. Annual reporting processes are also in place to provide management at the university and System Offices with information on how the funds are used at each of the colleges.

Differential tuition is an additional charge that pays for enhancements to the learning experience for undergraduate students in the Colleges of Agriculture (Department of Biological and Agricultural Engineering), Architecture, Business, Education, and Engineering and for professional students in the College of Veterinary Medicine. These enhancements include high impact hands-on learning experiences, laboratory and equipment upgrades, industry guest lecture series, and recruitment and retention of faculty and instructors to increase class offerings and reduce class sizes. A portion of differential tuition funds are set aside for need-based scholarships.

BASIS OF REVIEW

Objective and Scope

The objective of the audit was to review processes and controls over undergraduate differential tuition charged by the colleges to determine if funds were spent in accordance with the Board-approved purpose and intent. The areas reviewed included differential tuition account analysis, tuition set asides, expenditures, and reporting. The audit period covered was September 1, 2011 through March 31, 2013. Fieldwork was conducted from April to June, 2013.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”
Additionally, we conducted this performance 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 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.

Background

The Mays Business School began charging differential tuition to junior and senior level undergraduate students in fall 2008, and charging all undergraduate students in fall 2011. The College of Agriculture (Department of Biological and Agricultural Engineering), College of Architecture, and Dwight Look College of Engineering also began charging undergraduate differential tuition in fall 2011. In fall 2012, the College of Education began charging differential tuition to students in undergraduate programs leading to teacher certification, and the College of Veterinary Medicine began charging differential tuition to their professional students. In fiscal year 2013, the six colleges received approximately $12 million in differential tuition revenues.

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