

Audit Report

Emergency Assistance Fund Audit

September 2021

Summary – Emergency Assistance Fund Audit

The objective of the audit was to determine whether the Emergency Assistance Fund (EAF) was managed in an efficient and effective manner, as well as in accordance with the program’s governing documents.

Overall, the governing documents were not current or complete resulting in inconsistent documentation requirements and a limited review process of EAF applications.

Observations	Rating	Count
2	Priority	0
	High	0
	Medium	2
	Low	0

Audit Observation	Rating	Page
<p>1. Observation 1 – EAF Governing Documents Were Not Current Or Complete The EAF policies and procedures, website and application should be updated to help ensure student and donor awareness, as well as consistent processing of the EAF applications.</p>	Medium	Page 43
<p>2. Observation 2 - EAF Documentation And Eligibility Were Not Consistent The EAF program could be improved by consistently requiring complete documentation and establishing eligibility requirements related to maximum number of awards and award amounts.</p>	Medium	Page 45

Further details can be found on the following pages. Other less significant opportunities were communicated to management separately.

We greatly appreciate the courtesy and cooperation received from Student Affairs during this audit.

Background

Clear policies and procedures related to EAF grants are needed to help ensure:

- Students fully understand the application and documentation requirements.
- Reviewers and approvers have a full understanding of the processes and their required responsibilities to help ensure consistent program execution, as well as effective and efficient operations.
- Donors have a reasonable understanding of the program.

Our review disclosed opportunities existed to update governing documentation (policies and procedures, EAF website and EAF Support Application) to help ensure it is current and complete.

EAF Governing Documents Not Current

Our review of the EAF governing documents disclosed they were not current. Examples are as follows:

- The current EAF application approval process is not documented in the procedures. The Committee Processes and Procedures dated May 2015 include a committee approval process which is currently not used.
- The eligibility requirements on the Student Affairs website state that “after the funds have been distributed, the student must provide receipts showing the money was used for the reasons specified in the application.” This follow-up step is not currently performed.
- The EAF Support Application states the maximum distribution per EAF grant is \$500. This guidance is not consistently followed.

EAF Governing Documents Not Complete

The Committee Processes and Procedures did not include a review process for the EAF applications to help ensure adequate eligibility documentation existed, as well as consistency in decision making related to the awarding of grants. Our review of 55 application approvals disclosed the following:

- Evidence of management review was not available for 44 percent (24 of 55) of the applications reviewed.
- The name of the manager performing the review was not documented in 16 percent (9 of 55) of the applications reviewed.

A third-party software (Maxient) is used to document EAF application and grant processes. This software lacked an effective approval workflow process which added to the documentation challenges.

Observation 1 – EAF Governing Documents Were Not Current Or Complete

Medium

Recommendation 1A: Update governing documentation (policies and procedures, EAF website and EAF Support Application) to help ensure it is current and complete.

Management Response: Since the inception of the Emergency Assistance Fund, the breadth of the program has expanded significantly. Prior to the pandemic, a steady increase of applicants and financial need was apparent and there were discussions on updating procedures related to review and awarding, including a volunteer staff member to assist with 1-2 applicants a week, a buildout of case management of EAF through the utilization of Maxent and the approval of a new position dedicated to oversee EAF. The pandemic halted much of this as time was dedicated to assisting as many students as possible as quickly as possible. This required significant adjustment while still maintaining the integrity of the fund. As such, this recommendation is a priority previously identified with the creation of a new department in the Division of Student Affairs, Advocacy Services. The EAF program is positioned in the department; the Director and EAF Coordinator will be prioritizing development of procedures, editing and amending applications for students, and updating website and marketing to reflect these changes.

Target Implementation Date: February 1, 2022

Responsible Party:

Policies/Procedures: Assistant Dean of Students and Director of Student Advocacy Services

EAF website: Director of Student Advocacy Services and EAF Coordinator II Special Programs

EAF support application: EAF Coordinator II Special Programs

Recommendation 1B: Adopt an effective management review process to help ensure EAF application files contain proper documentation to support the decision made. Include this process in the governing documentation. Consider adding functionality to Maxient to allow an efficient and effective documentation of this management review.

Management Response: The approval functionality of Maxent will be used to allow for the proper storage of and review of applications and documentations. In addition, it will support the documentation of a “rationale” for approval or denial, as well as a routing rule for approvals of EAF applications before funds are disbursed.

Target Implementation Date: February 1, 2022

Responsible Party: Assistant Dean of Students

Observation 2 – EAF Documentation And Eligibility Were Not Consistent

Medium

The EAF program could be improved by consistently requiring complete documentation and establishing eligibility requirements related to maximum number or awards and award amounts.

Documentation Not Consistently Required

The Committee Processes and Procedures state that “proper documentation must be provided within the application and/or during the meeting with the EAF representative. This must include but not limited to: Applicant’s monthly budget, documentation of the crisis situation: photos, doctor’s note, insurance claims, etc., bills or invoices for payments to be made.” The Application Process description on the Student Affairs website provides the same eligibility criteria. Our review of EAF applications disclosed that adequate supporting documentation was not consistently obtained or required for EAF grants:

- In 29 percent of the cases (7 of 24), no expense documentation (bills or invoices) was provided to support the student’s request for funds.
- In 25 percent of the cases (6 of 24), only partial expense documentation (bills or invoices) was provided.
- No students were required to provide their budget information as part of the application.

Eligibility And Award Criteria Were Not Consistent

- The EAF Support Application states “the maximum amount available per student is not to exceed \$500 per request.” The EAF Support Application also states the maximum award is \$500. However, 4 of 24 (17 percent) EAF grants reviewed were awarded in amounts above \$500.
- The number of EAF awards granted per student was inconsistent. Two students (8 percent) in our sample of 24 received two EAF grants. One student was denied a grant because this was her second EAF application.

Observation 2 – EAF Documentation, Timing And Eligibility Were Not Consistent

Medium

Recommendation 2A:

Ensure documentation is complete and in accordance with the updated governance documents before approving a student's EAF application.

Management Response: With a full time EAF Coordinator, this recommendation is already being implemented with the approval process for EAF applicants. Once the procedures and governance documents are updated we will ensure it remains aligned.

Target Implementation Date: February 1, 2022

Responsible Party: EAF Coordinator II Special Programs

Recommendation 2B:

Develop and execute consistent standards for the timing of the application review, maximum EAF award amount and number of EAF awards that can be granted to a student.

Management Response: One primary goal of the Emergency Assistance Fund is to support students in crisis and during unforeseen circumstances. There have been times when the circumstances (such as a natural disaster, pandemic, unprecedented weather) impact the timing of review, the amount awarded and the number of times a student may be awarded based on the sheer volume of applicants or larger impact on the community.

The updated procedures and policies will be sure to include a rationale for when exceptions or any deviation from the standards will occur.

Target Implementation Date: February 1, 2022

Responsible Party: Assistant Dean of Students and the Director of Student Advocacy Services

Background, Audit Objective, and Scope & Methodology – Emergency Assistance Fund Audit

Background

The University of Texas at Arlington's (UTA) Emergency Assistance Fund provides financial assistance to enrolled students experiencing a sudden emergency, accident, or unforeseen event that requires emergency monetary assistance to support their ability to remain enrolled and focused on their academic careers.

968 students received emergency assistance during 09/01/19 - 12/31/20

Source: Financial Aid Office's Distributions Detail for Cost Center 5550945 and 313703

\$492K in total Emergency Assistance Fund disbursements during 09/01/19 - 12/31/20

Source: Financial Aid Office's Distributions Detail for Cost Center 5550945 and 313703

The aid was provided to assist students with expenses related to rent, utilities, replacement of essential personal items, emergency shelter, safety needs and medical care.

Audit Objective

The objective of the audit was to determine whether the Emergency Assistance Fund (EAF) was managed in an efficient and effective manner, as well as in accordance with the program's governing documents.

Audit Scope and Methodology

Our audit scope focused on the Emergency Assistance Fund activities during 09/01/19–12/31/20. Audit methodology included interviewing key personnel, reviewing processes, and performing limited testing of supporting documentation. Our examination was conducted in accordance with guidelines set forth in the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

Ranking Criteria – Emergency Assistance Fund Audit

Ranking Criteria

All findings in this report are ranked based on an assessment of applicable qualitative, operational control and quantitative risk factors, as well as the probability of a negative outcome occurring if the risk is not adequately mitigated. The criteria for these rankings are as follows:

Priority	An issue identified by an audit that, if not addressed on a timely basis, could directly impact achievement of a strategic or important operational objective of UTA or the UT System as a whole.
High	A finding identified by an audit that is considered to have a medium to high probability of adverse effects to UTA either as a whole or to a significant college/school/unit level.
Medium	A finding identified by an audit that is considered to have a low to medium probability of adverse effects to UTA either as a whole or to a college/school/unit level.
Low	A finding identified by an audit that is considered to have minimal probability of adverse effects to UTA either as a whole or to a college/school/unit level.

None of the findings from this review are deemed as a “Priority” finding.

Distribution – Emergency Assistance Fund Audit

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