Student Employment

Audit Report # 25-ASCF0001
August 6, 2025

The University of Texas at El Paso

Office of Auditing and Consulting Services

The University of Texas at El Paso
Office of Auditing and Consulting Services

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August 6, 2025

Dr. Heather Wilson
President, The University of Texas at El Paso
Administration Building, Suite 500
El Paso, Texas 79968

Dear Dr. Wilson:

The Office of Auditing and Consulting Services has completed a limited-scope audit of *Student Employment.* During the audit, we identified opportunities for improvement and offered the corresponding recommendations in the audit report. The recommendations are intended to assist the department in strengthening controls and help ensure that the University's mission, goals and objectives are achieved.

We appreciate the cooperation and assistance provided by the Office of Financial Aid and Scholarships, the Registrar, Human Resources, the Budget Office, the Office of International Programs, and Research & Innovation staff during our audit.

Sincerely,

Courtney H. Rios

Courtney H. Rios
Chief Audit Executive

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EXECUTIVE SUMMARY

Background
Student employees at The University of Texas at El Paso (UTEP) are full-time students working part-time for the University. They must follow UTEP's student employment guidelines. International student employees must also adhere to federal regulations, ensuring their employment ends in a timely manner.

Audit Objectives
The objective of the audit was to determine if effective controls are in place over student employment to monitor compliance with applicable laws, regulations, and University policy.

Scope
The audit scope included student enrollment/employment records, corresponding payroll transactions, and non-payroll payments to student employees during Fiscal Year (FY) 2024 and FY 2025 through December 31, 2024.

Strengths
Enterprise Computing collaborated with the Office of Human Resources to monitor enrollment and grade point average requirements for student employees. Daily exception reports alert the colleges and departments when a student no longer meets the eligibility requirements. Every week, an email is sent to the College Administrative Officer (CAO) with the list of ineligible students from their colleges.

An exception form is available for the employee's supervisor to submit a request. If approved, the student exception indicator is updated, and the student is excluded from the CAO report.

Auditors evaluated forty student employee records for GPA and enrollment eligibility and found no exceptions.

Summary of Audit Results

Issue	Risk Ranking
1. Stipends, scholarships, and other awards processed on non-PO vouchers are not included in the calculation of financial assistance to student employees.	High
2. Some graduating international student employees are not terminated timely.	High

Conclusion

Based on the results of audit procedures performed, we conclude that effective controls are in place for student employee GPA and enrollment eligibility. However, we recommend enhanced controls to monitor compliance with applicable laws, regulations, and University policy. Stipends, scholarships, and other awards processed on non-PO vouchers are not included in the calculation of financial assistance to student employees, potentially resulting in over awarded financial assistance. Also, the appointments of some graduating international student employees are not terminated in a timely manner, possibly resulting in severe consequences for the students and the University.

From a governance and risk management standpoint, the current control framework effectively supports the verification of student employee eligibility through GPA and enrollment monitoring. However, enhancements are needed to ensure controls are in place to monitor the accurate calculation of financial aid and the on-campus employment of international students.

BACKGROUND

A student employee is defined as a person enrolled full-time in a degree or certificate program at UTEP and employed part-time by the University at any time during the period of enrollment. Student employees may work up to 19 or 20 hours per week, depending on their job code.

The University of Texas at El Paso (UTEP) employs more than 2,000 students per year. UTEP offers fourteen student employee positions for both undergraduate and graduate students, such as Undergraduate Assistant, Masters Teaching Assistant, and PhD Research Associate positions.

Departments must follow the UTEP Handbook of Operating Procedures (HOP) Section 5, Chapter 1 Employee Classification, and the Student Employment Guidelines. Students must maintain a minimum grade point average and full-time semester credit hour enrollment. These guidelines ensure that student employees can balance their academic responsibilities while gaining valuable work experience. International student employees must also comply with federal regulations, ensuring their employment ends in a timely manner.

The hiring department initiates the student hiring process with a criminal background check request. All steps, including completing the new hire packet and I-9 verification, must be finished before the student's employment start date.

Student employees often receive non-payroll payments, such as scholarships, fellowships, tuition support, activity awards, and participant support stipends. The University must ensure these payments are made in compliance with federal laws. UTEP's Student Employment Guidelines define Training Stipends and Fellowships (see Appendix A).

The audit was conducted in accordance with the Institute of Internal Auditors' *Global Internal Audit Standards* and *Generally Accepted Government Auditing Standards*.

AUDIT RESULTS

A. Student Payments

Auditors evaluated forty non-payroll payments to student employees for compliance with federal regulations.

1. Stipends, scholarships, and other awards processed on non-PO vouchers are not included in the calculation of financial assistance to student employees.	**High Risk**

Twenty of forty stipends and scholarship payments to student employees in our sample were processed on non-PO vouchers, bypassing review by the Office of Financial Aid and Scholarships. These payments met the definition of Other Financial Assistance (see Appendix B) and should have been routed through the Office of Financial Aid and Scholarships to accurately calculate the total amount of financial aid the student employee received.

Federal regulation (34 CFR § 673.5 (c)) requires colleges to take other financial assistance into account when calculating the need to award student aid. This Other Financial Assistance, or OFA, reduces the cost of attendance and may limit the amount of financial aid a student may receive within the year.

Non-PO vouchers do not route to Financial Aid for approval and are not included in the student's financial aid package. Student employees may be over awarded financial assistance when non-PO vouchers are used for non-payroll payments to students.

Recommendation:

All student awards should be approved by the Office of Financial Aid and Scholarships before disbursement to ensure financial aid is properly calculated and awarded in compliance with federal regulations.

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Management Response:

An updated policy will be implemented at the University level to ensure compliance with these regulations, developed by the Office of Financial Aid and Scholarships, in partnership with the Vice President of Business Affairs, the Provost's Office, and Research Administration. Under this new policy, non-payroll payments to students will be processed by Financial Aid and Scholarships, with few exceptions outlined in the policy.

Responsible Party:

Rolph R. Zehntner, Assistant Vice President of Financial Aid and Scholarships

Implementation Date:

September 1, 2025

B. Student Employment Monitoring – Graduating International Students

2. Some graduating international student employees are not terminated timely.	**High Risk**

OACS evaluated the employment records of thirty-five graduating international student employees. Twelve students (34%) were not terminated timely in compliance with federal regulations. The students continued to work after completing their course of study.

Per 8 CFR 214.2(f)(9), an F-1 student may not engage in on-campus employment after completing a course of study, except employment for practical training as authorized under paragraph (f)(10) of this section.

A process is not in place to ensure graduating F-1 students discontinue their on-campus employment after their program end date. Per the Office of International Programs web page, "F-1 Visa status violations, including even brief failures to maintain status, may have consequences that include denial of future visas and immigration benefits, and in severe cases, bars from entering the U.S. and/or deportation."

Recommendation:

The graduation status of F-1 student employees in their final semester should be monitored and promptly communicated to the Human Resources Department so that F-1 student employee appointments end in a timely manner.
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Management Response:

Human Resources

The hiring and termination of student employees is the responsibility of the respective hiring departments. The hiring departments are required to ensure that students comply with the student employment guidelines. To help monitor the terminations of student employees, The Office of Human Resources will work with the Office of International Programs to monitor the graduation status of international students. The Office of International Programs will be generating a report identifying students' expected graduation dates and visa status expiration dates and will inform Human Resources before the end of the semester.

In turn, Human Resources will follow up with the hiring departments to submit the separation e-forms before the semester concludes.

Additionally, a review is being conducted in collaboration with the Office of International Programs and the Graduate School to update the student employment guidelines, specifically regarding allowable end dates based on graduation.

To enhance monitoring of student terminations and provide further awareness to hiring departments, Human Resources is currently working with the UT System to develop automated notifications in PeopleSoft for managers and employees. These notifications will remind them of upcoming expiration dates for documents and prompt departments to submit separation e-forms for graduating employees. The implementation date for this system is set for September 1.

We will also be sending reminders to Chief Administrative Officers (CAO) and administrative staff about the requirements of the student employment guidelines, emphasizing the necessary end dates for graduating international students.

Office of International Programs & Study Abroad

OIPSA collaborated with IT and other departments on report creation. We have already developed a report to track international students, showing their program completion date in banner for each term. The OIPSA will compile a list of students/ IDs with a graduation date listed in Banner, and this list will then be shared with Human Resources. OIPSA will notify students through SUNAPSIS that their on-campus employment must end. The message will include the final employment date and provide HR contact information so students can collect their last paycheck. SUNAPSIS will assist the OIPSA team in monitoring whether and when these notifications are read. OIPSA launched a weekly newsletter on June 15th. It will outline employment-related items after completing the program. The newsletter will be emailed to all international students with an "active" immigration record at UTEP. OIPSA, HR, and the Graduate School are collaborating to update the "Student Employment Handbook." The new version will include recent changes to improve the oversight of international students and their employment status at UTEP.

Responsible Party:

Gabriela Montes, Associate Director, Human Resources
Dr. Ludmi Herath, Associate Dean of Students, International Students & Scholar Global Initiatives
Caroline Soto, Assistant Director, Office of International Programs

Implementation Date:

September 1, 2025

RANKING CRITERIA

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

REPORT DISTRIBUTION:

University of Texas at El Paso:

Ms. Andrea Cortinas, Executive Vice President and Chief of Staff

Dr. Catie McCorry-Andalis, Vice President for Student Affairs and Interim Vice President for Business Affairs

Dr. Amanda Vasquez, Vice President for Enrollment Management

Dr. Ahmad Itani, Vice President for Research and Innovation

Ms. Mary Solis, Director/Chief Compliance and Ethics Officer, Office of Institutional Compliance (OIC)

Ms. Tami Keating, Assistant Vice Provost for Faculty Affairs, Interim Associate Vice President for Human Resources

Ms. Joanne Richardson, Associate Vice President for Business Affairs, Budget & Payroll Services

Mr. Charlie Martinez, Assistant Vice President for Business Affairs, Comptroller

Mr. Rolph Zehntner, Assistant Vice President for Financial Aid and Scholarships

Ms. Arizve Ochoa-Retana, Director, Human Resources

Ms. Gabriela Montes, Associate Director, Human Resources

Ms. Danielle Martinez, Director, Disbursement Services

Ms. Jennifer Miller, Director of Student Aid Compliance

Ms. Yesenia Castaneda, Director, Research Administration

Ms. Alejandra Chavez, Assistant Director, Research Administration

Dr. Ludmi Herath, Associate Dean of Students, International Students & Scholar Global Initiatives

Ms. Caroline Soto, Assistant Director, Office of International Programs

University of Texas System (UT System):

System Audit Office

External:

Governor's Office of Budget, Planning and Policy

Legislative Budget Board

Internal Audit Coordinator, State Auditor's Office

Audit Committee Members:

Mr. J. Stephen DeGroat, Audit Committee Chair

Mr. Fernando Ortega, External Member

Dr. John Wiebe, Provost, Vice President for Academic Affairs

Mr. Daniel Garcia, Senior Associate Athletic Director, Business, Finance, & Facilities

Ms. Guadalupe Gomez, Assistant Vice President for Research Administration

Auditors Assigned to the Audit:

Jannell Ballin, Senior Auditor II

Joanna Tapia, Senior Auditor I

APPENDIX A: TRAINING STIPENDS AND FELLOWSHIPS

UTEP's Student Employment Guidelines define *Training Stipends and Fellowships* in the context of student employment as follows:

"These programs provide support to students participating in research or other activities related to their degree programs. Stipend and fellowship recipients may receive financial support while performing independent educational activities, study or research.

These payments must be analyzed for the performance of services. If any amount of the stipend or fellowship requires the performance of services (i.e. teaching, student supervision, etc.) in exchange for the payment, then it constitutes an employee-employer relationship. The student recipient should be appointed as a student employee.

If the stipend or fellowship does not constitute an employee-employer relationship and is solely intended to provide financial support to the individual in support of their research efforts and/or completion of their degree, then it should be treated as a scholarship."

APPENDIX B: OTHER FINANCIAL ASSISTANCE (OFA)

The U.S. Department of Education, based on 34 CFR 685.102(b), defines Other Financial Assistance in the Federal Student Aid Handbook as follows:

"In general, OFA as defined for the Direct Loan, Campus-Based, and TEACH Grant programs refers to aid from the Title IV programs, as well as other grants, scholarships, loans, and wages from need-based employment that you can reasonably anticipate at the time you award aid to the student, whether the assistance is awarded by the school or by an individual or organization outside the school.

When classifying non-Title IV sources of aid, if a student receives the award because of postsecondary enrollment (for example, a scholarship from a local social club that requires a student to be attending a postsecondary school), it counts as OFA if it is not considered wages for employment according to federal or state rules, or if it is considered wages and is based on need.

Compensation that a student athlete receives under a name, image, and likeness (NIL) contract is a non-need-based source of income and therefore is not considered OFA."