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STAFF RECOMMENDATION FOR REVIEW OF PROGRAM REVIEW REQUIREMENTS

Each year, all institutions participating in the Tuition Grants Program are required to undergo a third-party Tuition Grants Program Review. The institution retains the full authority to choose its own third-party auditor to complete the Program Review. According to the Program Review Guide, the primary objectives identified for the auditor performing Program Reviews are:

1. To determine that the college has utilized reasonable administrative procedures and internal controls for effectively discharging its management responsibilities;
2. To review the college's operations and report on areas of non-compliance with the legislation, program guidelines, and program instructions; and, based upon the review, to provide a program manager's constructive recommendations for improvements.

The Program Review Guide, provided to each audit firm by Commission Staff annually, also specifies, "the auditor will review computations associated with either a 20% random sample of student awards, or the appropriate statistical random sample, either of which should be derived from the Payment Roster Report that is available at the college via the *myTG* student information system." There is no additional guidance in the Program Review Guide stating how to derive an appropriate statistical random sample.

Throughout the years, the random sample student award percentage has varied substantially from institution to institution, ranging from only 1.45% to 42.86% in the most recent year. For the recently concluded 2022-2023 program review cycle, the average percentage of student awards reviewed was 11.11%.

Commission Staff believes this disparity in percentages, especially with some audit firms regularly reviewing less than 3-5% of Tuition Grant awards, may not lend itself to a thorough review of administrative procedures and institutional responsibilities at some institutions. The agency recommends that the Commission discuss whether a minimum percentage threshold should be implemented beginning with the 2023-2024 program review cycle.

Based on the discussion of the Commission at the March 12, 2024, Commission Meeting, additional information was requested to be reviewed prior to any further discussion or decisions being made. Included with this document is a breakdown of the Tuition Grants Program Review Percentages for the 2022-2023 Award Year. Based on this additional information, Commission Staff recommend setting a minimum review threshold between 6% - 20% of Tuition Grants Recipients, with the preference of the Staff being a minimum review threshold of 10%.

A vote by the South Carolina Tuition Grants Commission is required to change the current Program Review Requirements and to set a minimum percentage threshold.

**SOUTH CAROLINA TUITION GRANTS COMMISSION
PROGRAM REVIEW PERCENTAGES OVERVIEW**

<u>COLLEGE</u>	<u>RECIPIENT COUNT</u>	<u>STUDENTS REVIEWED</u>	<u>PERCENT REVIEWED</u>	<u>ADD'L # NEEDED FOR 6%</u>	<u>ADD'L # NEEDED FOR 8%</u>	<u>ADD'L # NEEDED FOR 10%</u>	<u>ADD'L NEEDED FOR 20%</u>
Allen University	227	60	26.43%	0	0	0	0
Anderson University	1,552	60	3.87%	33	64	95	250
Benedict College	498	40	8.03%	0	0	10	60
Bob Jones University	518	60	11.58%	0	0	0	44
Charleston Southern University	1,208	60	4.97%	12	37	61	182
Clafin University	927	25	2.70%	31	49	68	160
Clinton College	32	8	25.00%	0	0	0	0
Coker University	383	25	6.53%	0	6	13	52
Columbia College	412	8	1.94%	17	25	33	74
Columbia International University	258	60	23.26%	0	0	0	0
Converse University	433	25	5.77%	1	10	18	62
Erskine College	413	60	14.53%	0	0	0	23
Furman University	421	25	5.94%	0	9	17	59
Limestone University	634	25	3.94%	13	26	38	102
Morris College	198	25	12.63%	0	0	0	15
Newberry College	719	60	8.34%	0	0	12	84
North Greenville University	927	60	6.47%	0	14	33	125
Presbyterian College	420	25	5.95%	0	9	17	59
Southern Wesleyan University	352	60	17.05%	0	0	0	10
Spartanburg Methodist College	693	25	3.61%	17	30	44	114
Voorhees University	140	60	42.86%	0	0	0	0
Wofford College	671	25	3.73%	15	29	42	109

2022-2023 Average Percentage: 11.14%

Data Classification: Internal Use