Katherine H. Harrison
Executive Director

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 *my*TG 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.

If the Commission agrees that a minimum percentage should be reflected in the Program Review Guide, it should also discuss and vote on what that percentage should be. For reference, in the most recent academic year, Tuition Grant awards at the participating colleges (not including Clinton College, for whom 2022-2023 was the first year students were eligible for Tuition Grants, resulting in an artificially low number of grant awards) ranged from 140 students to 1,549 students.

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.