



Legislative Requirement: A Report on

# Audits of Diversity, Equity, and Inclusion Requirements at Institutions of Higher Education

Lisa R. Collier, CPA, CFE, CIDA  
State Auditor

The State Auditor's Office audited Texas A&M University System's 20 components for compliance with the diversity, equity, and inclusion requirements in Texas Education Code, Section 51.3525. In addition, we audited 5 community colleges: Blinn College, Central Texas College, Hill College, McLennan Community College, and Temple College.

## TEXAS A&M UNIVERSITY SYSTEM

All but one of the Texas A&M University System components audited spent state funds in compliance with Texas Education Code, Section 51.3525.

[See Figure 1 on Page 2](#)

Texas A&M University – Central Texas entered into a contract that did not comply with the diversity, equity, and inclusion requirements audited.

[See Figure 2 on Page 2](#)

## COMMUNITY COLLEGES

All but one of the community colleges audited spent state funds in compliance with Texas Education Code, Section 51.3525.

[See Figure 3 on Page 3](#)

McLennan Community College required a training that did not comply with the diversity, equity, and inclusion requirements audited.

[See Figure 4 on Page 3](#)

Senate Bill 17 (88th Legislature) amended Texas Education Code to require the State Auditor's Office to determine whether institutions of higher education spent state money in violation of diversity, equity, and inclusion requirements in Section 51.3525. That statute also required the State Auditor's Office to evaluate compliance at each institution of higher education at least once every four years.

This is the first compliance audit conducted to address those requirements.

For more information about this audit, contact Audit Manager Jennifer Brantley or State Auditor Lisa Collier at 512-936-9500.

February 2025 | Report No. 25-018

Figure 1

### *Texas A&M System Institutions Audited That Complied with DEI Requirements*

Institution Name	Institution Name
East Texas A&M University <sup>a</sup>	Texas A&M University
Prairie View A&M University	Texas A&M University – Corpus Christi
Tarleton State University	Texas A&M University – Kingsville
Texas A&M AgriLife Extension Service	Texas A&M University – San Antonio
Texas A&M AgriLife Research	Texas A&M University System Office
Texas A&M Engineering Experiment Station	Texas A&M University – Texarkana
Texas A&M Engineering Extension Service	Texas A&M Veterinary Medical Diagnostic Lab
Texas A&M Forest Service	Texas Division of Emergency Management
Texas A&M International University	West Texas A&M University
Texas A&M Transportation Institute	
<sup>a</sup> Previously Texas A&M University - Commerce.	

Figure 2

### *Texas A&M System Institution Audited That Did Not Comply with DEI Requirements*

Institution Name	Criteria	Description of Noncompliance	Recommendation	Summary of Management's Response
Texas A&M University – Central Texas (University)	Texas Education Code, Sections 51.3525(a)(3) and 51.3525(b)(1)(B)	The University contracted with a third-party vendor to perform certain duties of a diversity, equity, and inclusion office.	The University should review and, if needed, amend its contracts to ensure compliance with Texas Education Code, Section 51.3525.	The University agreed with the finding and recommendation in this report and stated it had implemented a corrective action plan. (See the University's response in <a href="#">Appendix 2.</a> )

Figure 3

### *Community Colleges Audited That Complied with DEI Requirements*

Community College Name	Community College Name
Blinn College	Hill College
Central Texas College	Temple College

Figure 4

### *Community College Audited That Did Not Comply with DEI Requirements*

Community College Name	Criteria	Description of Noncompliance	Recommendation	Summary of Management's Response
McLennan Community College (College)	Texas Education Code, Section 51.3525(b)(1)(E)	The College required a newly hired employee to participate in a diversity, equity, and inclusion training.	The College should review and, if needed, update training and onboarding requirements for compliance with Texas Education Code, Section 51.3525.	The College agreed with the finding and recommendation in this report and stated it has implemented a corrective action plan. (See the College's response in <a href="#">Appendix 3.</a> )



## Appendix 1

### Objective, Scope, and Methodology

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#### Objective

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The objective of this audit was to determine whether higher education institutions have spent state funds on diversity, equity, and inclusion initiatives in violation of Texas Education Code, Section 51.3525.

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#### Scope

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The scope of this audit included expenditures and employee compensation paid with state appropriations at 25 public higher education institutions between January 1, 2024, and August 31, 2024.

The scope also included a review of significant internal control components related to approvals for hiring, promotions, merit increases, and expenditures.

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**The following members of the State Auditor’s staff performed the audit:**



- Jeffrey D. Criminger, CFE (Project Manager)
- Sarah Daigle, CIA, CRMA (Assistant Project Manager)
- Nicholas de Sanctis
- Rebecca Franklin, CISA, CFE, CGAP, CICA
- Rory Hardin
- David Johnson Jr, CFE
- Matthew Rodriguez, MPAff
- Ann E. Karnes, CPA (Quality Control Reviewer)
- Jennifer D. Brantley, MS, CPA (Audit Manager)

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## Methodology

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We conducted this compliance audit from September 2024 through February 2025 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. In addition, during the audit, matters not required to be reported in accordance with *Government Auditing Standards* was communicated to a higher education institution's management for consideration.

### Addressing the Audit Objectives

During the audit, we performed the following:

- Selected 25 higher education institutions—20 components of the Texas A&M University System and 5 community colleges—for the audit based on certain factors, such as geographic location and enrollment size.
- Interviewed higher education institution personnel to gain an understanding of the actions taken to comply with Texas Education Code, Section 51.3525; including actions related to policies and procedures, hiring practices, training requirements, promotion or merit determinations, and expenditure processes.
- Identified the relevant criteria:
  - Texas Education Code, Section 51.3525.
  - Policies and procedures from higher education institutions audited.
- Collected and reviewed data from the higher education institutions including:
  - Personnel and expenditure data.
  - Information related to the hiring and promotion processes, such as hiring decision documentation and job descriptions.
  - Transactional support related to expenditures.

- Conducted tests of compliance, tests of identified controls, and performed analytical procedures. This included:
  - Performing analytical procedures on expenditure and personnel data to identify instances of noncompliance.
  - Compliance testing for samples of all faculty, new hires, promotions, and expenditure transactions. (The populations and samples are listed in [Figure 5](#), [Figure 6](#), and [Figure 7](#) on the following pages.)
  - Testing design and operating effectiveness of key controls, including the institutions' processes for certifying compliance with Texas Education Code, Section 51.3525.
  - Reviewing trainings, programs, or activities required of students or employees for instances of noncompliance.
  - Reviewing websites, announcements, and other documentation related to former diversity, equity, and inclusion offices and determining compliance.
  - Determining whether the institutions had adopted policies and procedures for disciplining an employee or contractor in violation of Texas Education Code, Section 51.3525.

### **Data Reliability and Completeness**

Auditors determined that the following data sets, limited to transactions that were paid with state funds during the audit scope, were sufficiently reliable for the purposes of the audit:

- Employees.
- New hires.
- Merit increases and promotions.
- Expenditures.

To determine reliability, auditors (1) interviewed institution and college staff, (2) reviewed query language used to generate the data, and (3) observed the data extracts.

### Sampling Methodology

Auditors selected random and targeted samples of faculty and staff paid with state funds. Additionally, auditors selected random samples of employees identified as (1) new hires or (2) receiving a merit increase or promotion.

For the testing presented in Figure 5, auditors selected random samples of the lesser of 25 employees or 10 percent of the population (for populations less than 250 employees). Additionally, any employee who was identified to have worked at or had job duties of a diversity, equity, and inclusion office prior to the audit scope was added for testing. Texas A&M University – Central Texas is not in Figure 5 because auditors identified a confirmed compliance issue prior to completion of this testing.

In addition, Texas A&M University System Office had only four employees compensated with state appropriations, so all four employees were tested for compliance.

Figure 5

### All Employee Review: Total Populations and Samples Selected for Testing

Institution Name	Population	Sample Size	Sampling Methodology <sup>a,b</sup>
<b>Texas A&amp;M University System</b>			
East Texas A&M University	1,417	25	Random
Prairie View A&M University	1,366	27	25 random plus 2 risk-based employees <sup>c</sup>
Tarleton State University	876	26	25 random plus 1 risk-based employee <sup>c</sup>
Texas A&M AgriLife Extension Service	1,887	25	Random
Texas A&M AgriLife Research	2,146	25	Random
Texas A&M Engineering Experiment Station	694	25	Random
Texas A&M Engineering Extension Service	886	27	25 random plus 2 risk-based employees <sup>c</sup>
Texas A&M Forest Service	572	25	Random
Texas A&M International University	1,109	25	Random
Texas A&M Transportation Institution	577	25	Random
Texas A&M University	10,511	34 <sup>d</sup>	27 random plus 7 risk-based employees <sup>c</sup>
Texas A&M University – Corpus Christi	1,312	25	Random
Texas A&M University – Kingsville	622	26 <sup>e</sup>	Random
Texas A&M University – San Antonio	425	27	25 random plus 2 risk-based employees <sup>c</sup>
Texas A&M University – Texarkana	325	25	Random

Institution Name	Population	Sample Size	Sampling Methodology <sup>a b</sup>
Texas A&M Veterinary Medical Diagnostic Lab	219	22	Random
Texas Division of Emergency Management	527	25	Random
West Texas A&M University	696	26	25 random plus 1 risk-based employee <sup>c</sup>
<b>Community Colleges</b>			
Blinn College	680	25	Random
Central Texas College	1,038	25	Random
Hill College	376	25	Random
McLennan Community College	234	24	Random
Temple College	275	25	Random

<sup>a</sup> A random sample was chosen to evaluate a cross-section of the population. However, due to the nature of this compliance audit, it would not be appropriate to project those test results to the population.

<sup>b</sup> A risk-based sample is not representative, and it would not be appropriate to project those test results to the population.

<sup>c</sup> The risk-based samples were selected to ensure testing of employees who had previous job duties related to a diversity, equity, and inclusion office.

<sup>d</sup> A random sample of two additional employees paid from a second state-funded account were selected.

<sup>e</sup> A random sample of one additional employee paid from a second state-funded account was selected.

For the new hires testing presented in [Figure 6](#) on the next page, auditors selected random samples of the lessor of 25 employees or 10 percent of the population (for populations less than 250 employees). For the merits/promotions testing presented in [Figure 6](#), auditors determined that the processes for merits/promotions were mostly uniform throughout the Texas A&M University System. For that reason, auditors selected random samples of the lessor of 10 employees or 10 percent of the population (for populations less than 100 employees).

Random samples were chosen to evaluate a cross-section of the populations. However, due to the nature of this compliance audit, it would not be appropriate to project those test results to the populations.

Texas A&M University – Central Texas is not in [Figure 6](#) because auditors identified a confirmed compliance issue prior to completion of this testing. In addition, Texas A&M University System Office had one new hire and one employee who received a state compensated merit or promotion during the audit scope. Those were both tested for compliance.



Figure 6

***New Hires and Merits/Promotions Review:  
Total Populations and Samples Selected for Testing***

Institution Name	New Hires		Merits/Promotions	
	Population	Sample Size	Population	Sample Size
<b>Texas A&amp;M University System</b>				
East Texas A&M University	123	13	131	10
Prairie View A&M University	217	22	70	7
Tarleton State University	94	10	126	10
Texas A&M AgriLife Extension Service	135	14	108	10
Texas A&M AgriLife Research	259	25	263	10
Texas A&M Engineering Experiment Station	90	9	94	10
Texas A&M Engineering Extension Service	107	11	197	10
Texas A&M Forest Service	69	7	105	10
Texas A&M International University	146	15	51	6
Texas A&M Transportation Institution	32	4	98	10
Texas A&M University	924	26 <sup>a</sup>	1,287	11 <sup>a</sup>
Texas A&M University – Corpus Christi	138	14	221	10
Texas A&M University – Kingsville	22	3	40	4
Texas A&M University – San Antonio	14	2	41	5
Texas A&M University – Texarkana	45	5	70	7
Texas A&M Veterinary Medical Diagnostic Lab	24	3	42	5
Texas Division of Emergency Management	86	9	123	10
West Texas A&M University	55	7	35	4
<b>Community Colleges</b>				
Blinn College	37	4	0	0
Central Texas College	86	9	62	7
Hill College	38	4	0	0
McLennan Community College	10	1	2	1
Temple College	115	12	0	0
<sup>a</sup> A random sample of one additional employee paid from a second state-funded account was selected.				

Through data analysis, auditors identified certain subpopulations of expenditures at Texas A&M University System<sup>1</sup> components that required further inquiry. Auditors selected targeted samples from those subpopulations of expenditures for further review. Therefore, it would not be appropriate to project those test results to the populations. Those subpopulations and number of expenditures tested are listed in Figure 7. Auditors did not identify expenditures that were at a high-risk of noncompliance at Texas A&M Engineering Extension Service; therefore, no expenditures were tested there (outside of employee compensation, see Figure 5 and Figure 6 above).

Figure 7

***Expenditures: Subpopulations and Expenditures Selected from the Population for Testing***

Institution Name	Subpopulation	Expenditures Tested
East Texas A&M University	568	17
Prairie View A&M University	2,537	25
Tarleton State University	433	13
Texas A&M AgriLife Extension Service	3,091	25
Texas A&M AgriLife Research	1,574	25
Texas A&M Engineering Experiment Station	173	25
Texas A&M Forest Service	8,317	25
Texas A&M International University	515	5
Texas A&M Transportation Institution	865	19
Texas A&M University	7,867	25
Texas A&M University – Central Texas	362	8
Texas A&M University – Corpus Christi	1,843	25
Texas A&M University – Kingsville	981	6
Texas A&M University – San Antonio	40	4
Texas A&M University System Office	1,491	25
Texas A&M University – Texarkana	214	22
Texas A&M Veterinary Medical Diagnostic Lab	389	25
Texas Division of Emergency Management	8,908	25
West Texas A&M University	1,844	25

<sup>1</sup> Texas Education Code, Section 130.003(c), states that funding appropriated through the Public Junior College State Finance Program shall be used exclusively for the purpose of paying salaries of the instructional and administrative forces of the institution. As a result, the five community colleges audited expended state funds only on salaries and wages; therefore, they did not have other expenditures for further review.

## Appendix 2

# Texas A&M University – Central Texas Management’s Response



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UNIVERSITY  
CENTRAL TEXAS.

tamuct.edu

*State Auditor's Office Compliance Audit of DEI Requirements  
at Institutions of Higher Education*

*Texas A&M University – Central Texas*

**Management's Response to Audit Finding**

On February 15, 2024, Texas A&M University – Central Texas engaged CampusWorks for consultant services to develop the university's five-year strategic plan. The Request for Proposal (RFP) process did not solicit DEI work or functions of a DEI office in the RFP Scope of Work. The vendor included a reference to unsolicited DEI services in the contract. The language related to DEI was not identified during the university's established review and approval process. This appears to have been an oversight.

Once the agreement was in effect, initial meetings with the vendor identified language in the agreement committing the university to generate at least one strategy statement on the topic of diversity, equity, and inclusion and to reaffirm the university's commitment to diversity, equity, and inclusion through the Values statements. Upon this discovery, the university informed the vendor that state law prohibits them from engaging in such activities. No DEI related services were included in the work performed by the vendor. The final work product of this engagement demonstrating compliance with TEC 51.3525 can be found at <https://www.tamuct.edu/about/mission.html>.

**OFFICE OF THE PRESIDENT**

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at Institutions of Higher Education  
Texas A&M University – Central Texas*

**Corrective Action Plan**

Contract approvals were put on hold upon notice of this finding in order to assess current processes. During this period, the Contract Administration Department completed a review of all contracts currently in place and conducted training on contract requirements to ensure compliance with TEC 51.3525. These actions were implemented during the audit and completed on February 11, 2025.

Responsible Persons:

Associate Director of Finance and Administration

Contract Administrator

The university has enhanced procedures and training for contract reviews and implemented additional monitoring processes to ensure compliance with TEC 51.3525. This includes performing scans of the contract database and all contract files on a regular basis to ensure compliance with statutory DEI requirements. These actions were implemented during the audit and completed on February 11, 2025.

Responsible Persons:

Associate Director of Finance and Administration

Contract Administrator

Chief Ethics and Compliance Officer

In addition, the Chief Ethics and Compliance Officer will conduct recurring reviews of the Contract Administration Department to evaluate procedures to ensure compliance with statutory DEI requirements. The additional procedures and monitoring processes will be implemented on February 24, 2025.

Responsible Persons:

Chief Ethics and Compliance Officer

**OFFICE OF THE PRESIDENT**

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## Appendix 3

# McLennan Community College Management's Response



February 14, 2025

Ms. Lisa R. Collier, CPA, CFA, CIDA  
Texas State Auditor's Office  
P.O. Box 12067  
Austin, Texas 78711-2067

Dear Ms. Collier:

We appreciate the opportunity to provide our answers to the findings from the DEI audit. Below are our responses:

- **Management's Responses:**
  - On February 12, 2025, McLennan Community College was notified we were found to be in noncompliance with Texas Education Code, Section 51.3525(b)(1)(E), with our requiring a newly hired employee to participate in a diversity, equity, and inclusion video training. It was recommended the "College review and, if needed, update training and onboarding requirements for compliance with Texas Education Code, Section 51.3525." This video was purchased in 2019 as part of a new onboarding program. It is the position of the Leadership Team (President and Vice Presidents) that the intention of the video was solely for new employees to understand how to work together with many different types of people. It was not purchased as part of any DEI initiative.
- **Corrective Action Plan:**
  - On January 8, 2025, when we were advised that the training video was potentially in non-compliance, the McLennan Community College Chief Human Resources Officer and I reviewed the onboarding training and discontinued its use. This was in advance of our receiving notification on February 12, 2025, that a recommendation of non-compliance was being made
- **Implementation Date:**
  - January 8, 2025
- **Titles of Responsible Persons:**
  - President
  - Vice President of Strategic Planning and Enrollment
  - Vice President, Instruction and Student Engagement
  - Vice President, Vice President, Finance and Administration
  - Chief Human Resources Officer

I am pleased to provide further answers or information

Sincerely,

Laura Wichman  
Vice President of Strategic Planning and Enrollment



Copies of this report have been distributed to the following:

## **Legislative Audit Committee**

The Honorable Dan Patrick, Lieutenant Governor, Joint Chair

The Honorable Dustin Burrows, Speaker of the House, Joint Chair

The Honorable Joan Huffman, Senate Finance Committee

The Honorable Robert Nichols, Member, Texas Senate

The Honorable Greg Bonnen, House Appropriations Committee

The Honorable Morgan Meyer, House Ways and Means Committee

## **Office of the Governor**

The Honorable Greg Abbott, Governor

## **Boards, Chancellors, and Presidents of the Following Institutions of Higher Education**

### Community Colleges

Blinn College

Central Texas College

Hill College

McLennan Community College

Temple College



Texas A&M University System

East Texas A&M University

Prairie View A&M University

Tarleton State University

Texas A&M AgriLife Extension Service

Texas A&M AgriLife Research

Texas A&M Engineering Experiment Station

Texas A&M Engineering Extension Service

Texas A&M Forest Service

Texas A&M International University

Texas A&M Transportation Institution

Texas A&M University

Texas A&M University – Central Texas

Texas A&M University – Corpus Christi

Texas A&M University – Kingsville

Texas A&M University – San Antonio

Texas A&M University System Office

Texas A&M University – Texarkana

Texas A&M Veterinary Medical Diagnostic Lab

Texas Division of Emergency Management

West Texas A&M University

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