Texas Higher Education COORDINATING BOARD

GEER Administration Review & Advise
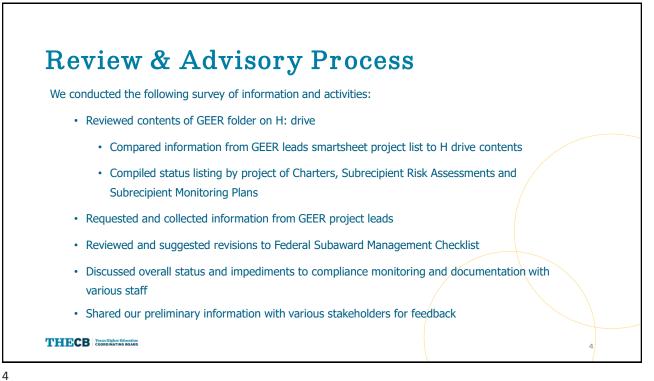
Interim Status Report March 2022

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Review and Advisory Services

Differences from a standard Internal Audit engagement:

- Programs are reviewed while they are being administered versus a lookback period

- Feedback is provided to management throughout the engagement

- Results are periodically summarized in interim status reports

- Reports look different

- Important guard rails are monitored throughout engagement – see slide 10

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GEER – Impact and Accomplishments

- The CB has received federal GEER funding of approximately $270 million from the Governor's Office that has been allocated to 26 different projects.
- Funds were deployed to:
  - make strategic investments in financial aid and college advising
  - advance work to make data more useful and accessible
  - help upskill and reskill displaced workers
  - support institutions in expanding access to credentials that translate into real value for students, their families, and our state.

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Review & Advisory Process

We conducted the following survey of information and activities:

- Reviewed contents of GEER folder on H: drive
  - Compared information from GEER leads smartsheet project list to H drive contents
  - Compiled status listing by project of Charters, Subrecipient Risk Assessments and Subrecipient Monitoring Plans
- Requested and collected information from GEER project leads
- Reviewed and suggested revisions to Federal Subaward Management Checklist
- Discussed overall status and impediments to compliance monitoring and documentation with various staff
- Shared our preliminary information with various stakeholders for feedback

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Challenges & Issues Identified

- The size and scope of federal GEER funds creates administrative challenges never before experienced at the CB. The broad array of programs administered across the agency creates inherent risks of inconsistency and fragmented program execution. CB leadership is making staffing changes and hiring additional resources to better administer GEER. These steps will be monitored to assess the effectiveness in mitigating these inherent risks.

- Multiple staff[1] have taken different roles in the oversight of compliance. This has previously presented a control challenge which was exemplified by missing information, lack of review and lack of follow-up. Management will monitor the impact of staffing changes to address these challenges.

- Position changes of Chief Operations Officer and AC for Strategic Implementation are intended to remedy a mismatch between those with the expertise in federal projects and those with direct authority over project oversight and compliance.

1. General Counsel office has provided legal expertise and guidance on compliance requirements, Finance has provided expertise and guidance on project accounting and OOG reporting, IA and Federal Compliance have provided single audit compliance expectations and review of subrecipient risk assessments and plans. Project management office has provided project tools and project status lists and dissemination of training and best practices.

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Examples of Issues and Challenges

1. The agency shared drive dedicated for GEER funds, does not have folders for each project. Readily identifiable folders were not noted for some of the 26 projects on the shared drive GEER folder. The folders are not named in a way to readily match each GEER project with its associated folder.

2. The charters, which are a significant communication tool identified to bridge the decentralized structure, lack clarity regarding the role, requirements, and purpose. Minimal information exists on what additional documentation may be needed or required, both initially and for continuing communication, after an initial charter is drafted or in place of a charter where none exists.

3. Appendix I shows updated project information for key activities and milestones. Improvement has occurred since December 2021 for these metrics. For example, nine out of 26 Charters were missing in December, now we have drafts or final versions for all 26; we had no responses for five of the 26 projects for expected timelines for risk assessments and subrecipient monitoring plans, we now have responses for all projects.

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Recommendations

Texas Higher Education Coordinating Board needs additional coordination and implementation resources to promote uniformity and compliance within and across divisions in the administration of federal funds.

- Additional resources have recently been assigned to coordinate and assist the GEER project leads, but more will likely be necessary.

- Executive management needs to monitor overall project timeliness, including project completion of key compliance documents, such as Project-Specific H Drive Folders, Charters, Subrecipient Monitoring Plans, and Subrecipient Risk Assessments.

- The updating of the Federal Subaward Management Checklist should continue to promote better functionality while maintaining its core purposes of documenting communication and compliance with federal Uniform Grant Guidance and subrecipient monitoring.

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Management Actions In Progress March, 2022

- Management has assigned additional resources to assist the GEER project leads to complete their assigned projects, but more will likely be necessary.

- Executive management was notified and is currently in a process to determine and monitor the timeline for finalizing key documents, such as Charters, Subrecipient Monitoring Plans, and Subrecipient Risk Assessments.

- Project leads are currently working with the newly appointed Chief Operating Officer, the new Assistant Commissioner for Strategic Implementation, and Project Management to customize the Federal Subaward Management Checklist for better functionality.

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Appendix I-Summary-Key Documents

				Status Update as of February 2022				
	Total Projects	Subrecipient	No Subrecipient	Final Charter **26**	Subrecipient Risk Assessment **19 Projects**	Subrecipient Monitoring Plan **19 Projects**	Request for Application (RFA) (or determination of final sub-recipient list) **19 Projects**	
	26	**18** (of 26). It is undecided for **1** project if that will have a subrecipient or not.	**7** (of 26)	**22** (final Charter), **4** (draft charter)	**4** (yes), **4** (NA because fund has not been deployed), **10** (draft), **1** (Don't intend to have any RFAs. Project will continue to implement another IAC with Texas A&M University that would allocate funding amongst other institutions, but it would be under the IAC.), **1** (No RFA as the subrecipient will be a public IHE.)	**1** (yes), **2** (embedded in RFA), **3** (NA because fund has not been deployed), **11** (draft), **1** (Don't intend to have any RFAs. Project will continue to implement another IAC with Texas A&M University that would allocate funding amongst other institutions, but it would be under the IAC.), **1** (NA, the subrecipient will be a public IHE.)	**7** (yes), **2** (NA because fund has not been deployed), **8** (draft), **1** (Don't intend to have any RFAs. Project will continue to implement another IAC with Texas A&M University that would allocate funding amongst other institutions, but it would be under the IAC.). **1** (NA, the subrecipient will be a public IHE.)	

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Appendix II: Advisory/Nonaudit Services

- ▶ The IA Audit Plan, audit notifications, and updates serve as our agreement of services.

- ▶ In accordance with auditing standards, IA cannot make management decisions. For example, we cannot create policies and procedures for program staff.

- ▶ IA reserves the right to audit areas previously reviewed as advisory or nonaudit services.

- ▶ Project scopes, objectives, and methodology are subject to change.

- ▶ Management assumes responsibility for addressing issues and risks.

- ▶ IA will perform follow-up verification on significant issues and risks.

- ▶ Internal Auditors have no direct operational responsibility or authority; which is covered extensively in our charter.

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