



TEXAS HIGHER EDUCATION COORDINATING BOARD

P.O. Box 12788 Austin, Texas 78711

Stuart W. Stedman
CHAIR

Fred Farias III, O.D.
VICE CHAIR

Ricky A. Raven
SECRETARY OF THE BOARD

Lauren C. McKenzie
STUDENT REPRESENTATIVE

S. Javaid Anwar
Emma W. Schwartz
Donna N. Williams
Welcome Wilson, Jr.

Harrison Keller, Ph.D.
COMMISSIONER
OF HIGHER EDUCATION

(512) 427-6101
Fax (512) 427-6127

Web site:
<http://www.thecb.state.tx.us>

November 7, 2019

Dr. Sandra Woodley, President
The University of Texas of the Permian Basin
4901 East University
Odessa, TX 79762

RE: Audit of the Nursing Shortage Reduction Program at The University of Texas
of the Permian Basin

Dear Dr. Woodley:

I am attaching the final report for *A Compliance Monitoring Audit of the Nursing Shortage Reduction Program at The University of Texas of the Permian Basin*, Report No. THECB-CM-FA-19-020. There were two findings related to program requirements and institution policies and procedures, resulting from this engagement. Management's response has been incorporated into the final report.

Summary

Improvement is needed to confirm funds are accounted for separately by program and award year in accordance with Texas Administrative Code Section §22.508. Management's response indicates that procedures regarding grant requirements and standards have been updated.

Improvement is needed to verify travel expenses charged in whole or in part to an externally funded project comply with institutional travel policy requirements. Management's response indicates that a refund for expenses that exceeded allowable amounts will be sent and that travelers and administration will follow policy requirements in place.

This Compliance Monitoring report will be presented to the Texas Higher Education Coordinating Board (THECB) Committee on Agency Operations, a standing committee of the THECB Board, on January 23, 2020.

The cooperation of your staff during this review is greatly appreciated. If you have any questions or comments, please let me know.

Sincerely,

Mark. A. Poehl, CPA, CIA, CISA, CFE
Director, Internal Audit and Compliance

Executive Summary

The University of Texas of the Permian Basin (UTPB) generally complied with relevant Coordinating Board (THECB) rules and regulations for the Nursing Shortage Reduction Program (NSRP). However, improvement is needed to confirm funds are accounted for separately by program and award year in accordance with Texas Administrative Code Section §22.508; and to verify UTPB travelers and administration follow established travel policy requirements.

Audit Scope, Objective, and Methodology

UTPB utilizes NSRP funds for Nursing faculty salary support and Nursing faculty professional development. Therefore, our compliance audit included testing NSRP expenditures for fiscal year 2018.

Our work included procedures to verify:

- Awarded salaries for Nursing faculty;
- Nursing faculty activities related to project;
- Professional development expenditures for Nursing related activities; and
- Reported award amounts reconciled with UTPB's system data and system payment records.

We conducted this audit 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 reasonable basis for our findings and recommendations based on our audit objectives. We believe the evidence obtained provides a reasonable basis for the findings and recommendations, if any based on the audit objectives.

Our consideration of internal control was for the compliance purpose described in the scope section and was not designed to identify all deficiencies in internal control.

Background

The purpose of the Nursing Shortage Reduction Program is to provide grants to public and private institutions of higher education, and other entities involved with a professional nursing program to reduce the nursing shortage and meet the need for registered nurses in the state of Texas.

Detailed Observations, Recommendation, and Management's Response

- 1. Nursing Shortage Reduction Program (NSRP) awards must be accounted for separately by NSRP program and by year to facilitate the recordkeeping requirements associated with multiple NSRP programs that may be open over a several year period to ensure compliance with the Texas Administrative Code Section §22.508.**

Nursing Shortage Reduction Program (NSRP) awards must be accounted for separately by NSRP program and by year to facilitate the recordkeeping requirements associated with multiple NSRP programs that may be open over a several year period to ensure compliance with the Texas Administrative Code Section §22.508. This requirement is further emphasized in the NSRP Program Announcement in which institutions respond with application for funds. The University of Texas of the Permian Basin demonstrated separation of NSRP Regular program and NSRP Under 70 program but did not indicate separation of these programs by award year as required.

The Texas Administrative Code Section §22.508 states that as an Accounting Requirement "Each award from this program shall be accounted for separately in the books and records of receiving institutions."

The program announcement for the Nursing Shortage Reduction Program states, that "[a]ny award under this program must be accounted for separately by institution, by NSRP program, and by year in order to facilitate the recordkeeping requirements associated with multiple NSRP programs that may be open over a several year period."

Recommendation:

Ensure awards under the Nursing Shortage Reduction Program are separated by award type, NSRP program, and by year in order to comply with Texas Administrative Code §22.508 and with program requirements and standards.

Management Response:

"Agree with finding.

In August 2019, UT Permian Basin incorporated and communicated changes to our policy and procedures to ensure all future awards under the Nursing Shortage Reduction program are separated by award type, NSRP program, and by year in order to comply with Texas Administrative Code §22.508 and with program requirements and standards.

Corrective Action Completion date: August 31, 2019"

2. Lodging and related travel costs in an amount of \$1,671.75 were charged to the Nursing Shortage Reduction Program, however these lodging expenses exceeded allowable amounts and did not comply with required institutional travel policies and procedures.

Lodging and related travel costs in an amount of \$1,671.75 were charged to the Nursing Shortage Reduction Program, however these lodging expenses exceeded allowable amounts and did not comply with the required institutional travel policies and procedures. Lodging expenses for five (5) separate trips were paid with program funds and were over the allowable lodging rate.

The University of Texas of the Permian Basin Travel Policy states that the institution follows Textravel, explaining that "Textravel requires agencies to use the General Services Administration (GSA)'s federal travel rates to determine the maximum meals and lodging reimbursement rates for both in-state and out-of-state travel."

Further, this policy states that "Travelers should always seek State of Texas contract or government lodging rates."

Recommendation:

- A. Refund \$1,671.75 in reported Nursing Shortage Reduction Program travel expenditures to the Texas Higher Education Coordinating Board.
- B. Ensure travel expenses charged in whole or in part to an externally funded project comply with The University of Texas of the Permian Basin Travel Policy requirements.

Management Response:

"Agree with finding.

In August 2019, we reviewed and communicated with the administration of the College of Nursing the travel policy for The University of Texas Permian Basin. Said policy states that the institution follows Textravel, explaining that 'Textravel requires agencies to use the General Services Administration (GSA)'s federal travel rates to determine the maximum meals and lodging reimbursement rates for both in-state and out-of-state travel.'

Refund check in the amount of \$1,671.75 is included for payment back to the Texas Higher Education Coordinating Board.

Travelers will seek State of Texas contract or government lodging rates; administration will review and process at approved lodging rates; NSRP funds allocation will not exceed the approved rate of lodging.

Corrective Action Completion date: November, 2019"

PERFORMED BY:

Ms. Elizabeth M. Steele, Compliance Specialist

CC:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education

Mr. Rey Rodriguez, Transition Chief of Staff

Ms. Linda Battles, Deputy Commissioner for Agency Operations and Communications/COO

Dr. David Gardner, Deputy Commissioner for Academic Planning and Policy

Mr. William Franz, General Counsel

Financial Services

Mr. Kenneth Martin, Assistant Commissioner for Financial Services/CFO

Strategic Planning and Funding

Dr. Julie Eklund, Assistant Commissioner for Strategic Planning and Funding

The University of Texas of the Permian Basin

Dr. Donna Beuk, Dean of Nursing

Dr. Daniel Heimmermann, Provost and Vice President for Academic Affairs

Mr. Cesario Valenzuela, Vice President of Business Affairs and Chief Financial Officer

Mr. Glenn Spencer, Chief Audit Executive

The University of Texas System

Mr. Kevin P. Eltife, Chairman, Board of Regents

Mr. James B. Milliken, Chancellor

Mr. J. Michael Peppers, Chief Audit Executive

Texas Council of Public University Presidents and Chancellors

Dr. Rissa McGuire, Executive Director

State Auditor's Office

Internal Audit Coordinator

Sunset Advisory Commission

Ms. Jennifer Jones, Director

Office of the Governor-Budget and Policy Division

Mr. John Colyandro, Policy Director

Legislative Budget Board

Mr. Christopher Mattsson, Assistant Director