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May 10, 2021

Dr. Justin Hoggard, President
Coastal Bend College
3800 Charco Rd.
Beeville, TX 78102

Dear Dr. Hoggard,

The Texas Higher Education Coordinating Board has completed a follow up review of both *An Investigation of the Nursing Shortage Reduction Program (NSRP) and Related Matters*, and an *Investigation of the Carl D. Perkins Basic Grant* at Coastal Bend College. The results of each review are characterized below.

An Investigation of the Nursing Shortage Reduction Program and Related Matters

Coastal Bend implemented the following recommendations from our prior report *An Investigation of the Nursing Shortage Reduction Program and Related Matters and Coastal Bend College*, issued November 12, 2018.

Management has implemented all of the audit recommendations by:

- Refunding \$260,287 in reported NSRP expenses to the Texas Higher Education Coordinating Board;
- Establishing appropriate controls to ensure that the NSRP grant is appropriately accounted for;
- Complying with CBC travel policy regarding timely submission of travel claims to ensure accurate grant reporting;
- Revising policies and separating awards under the Nursing Shortage Reduction Program by award type, NSRP program, and by year to comply with Texas Administrative Code §22.508;
- Implementing grade change policies and procedures; and
- Updating grade change forms to include all pertinent information.

Grade Changes

CBC has made significant progress in implementing the grade change policies and procedures along with updated grade change forms. In addition, CBC was receptive to implementing additional suggestions for strengthening grade change controls that we shared.

An Investigation of the Carl D. Perkins Basic Grant

Coastal Bend implemented the following recommendations from our prior report *An Investigation of the Carl D. Perkins Basic Grant at Coastal Bend College (CBC)*, issued March 13, 2019.

Management has implemented all of the audit recommendations by:

- Payroll
 - Refunding \$160,051.60 in reported Perkins payroll expenditures to the Texas Higher Education Coordinating Board;
 - Establishing appropriate controls to ensure that payroll expenses related to the Perkins grant are accurately and timely documented and reported; and
 - Ensuring that time and effort reports accurately support the amounts charged to the grant and adhere to CBC policy and sound grant management principles.
- Inventory
 - Refunding \$22,451.24 in reported Perkins funded equipment and fixed asset expenses to the Texas Higher Education Coordinating Board;
 - Complying with grant reporting and control requirements for the purchase and use of equipment and supplies related to CTE (career and technical education) in the Perkins grant activities, including appropriate procurement, delivery, and assignment of equipment; and
 - Implementing an inventory control system that is updated in a timely manner for all receipt, assignment, and re-assignment of Perkins inventory items.

We appreciate the cooperation of your staff during this engagement. If you have any questions or comments, please let me know.

Sincerely,



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

PERFORMED BY:

Ms. Michelle Koog, CFE, CISA Internal Auditor
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cc:

THECB

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