The Texas A&M University System Internal Audit Department

MONTHLY AUDIT REPORT

February 20, 2017
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Overall Conclusion

Generally, Texas A&M University - Commerce has controls in place over health and safety to provide reasonable assurance that a safe environment exists for students, faculty, staff, and visitors except in the areas of student travel and completion of Hepatitis B vaccination election forms. Significant improvements are needed in student travel and Hepatitis B vaccination election form processes to ensure compliance with laws, policies, and rules. Opportunities for improvement were also noted in safety inspections, chemical administration, hazard communication training, bloodborne pathogen training, and certification of the university’s Spill Prevention, Control and Countermeasure Plan.

Summary of Audit Results

Significant Observations

- Processes for student travel are not in compliance with the university's student travel rule and procedures.

- Hepatitis B vaccination election forms were not on file for 22 of 30 (73%) employees tested.

Notable Observations

- Inspection follow-up processes need to be strengthened and monitored more closely to ensure facilities remain safe.

- Chemical storage and handling procedures need improvement.

- Hazard communication training was not completed by 20 of 416 (5%) employees tested, and 96 of 416 (23%) employees tested did not take hazard communication training within ten days of the employees' dates of hire as required by the university’s procedures.

- Bloodborne pathogen training was not completed by 16 of 345 (5%) employees tested, and 60 of 345 (17%) employees tested did not take...
bloodborne pathogen training within ten days of the employees' dates of hire as required by the university's procedures.

- A professional engineer has not yet reviewed and certified the university's Spill Prevention, Control and Countermeasure Plan as required by Title 40 of the United States Code of Federal Regulations.

**Summary of Management’s Response**

University management agrees with the findings and recommendations and will continue to address these issues and make improvements. In regards to student travel, the university has hired the Assistant Director of Event Services who will report solely to the Director of Safety and Risk Management. The responsibilities of this new position will be to increase compliance with the student travel rule and processes. The university will modify the training module for bloodborne pathogen, thereby ensuring compliance with University Procedure 24.01.01.R0.01 *Bloodborne Pathogen and Hazard Communication Training*.

The implementation of all findings will be completed by August 31, 2017.
Detailed Results

1. Student Travel

Processes for student travel are not in compliance with the university's student travel rule and procedures. The university has developed University Rule 13.04.99.R1 Student Travel in compliance with the A&M System Policy 13.04 Student Travel; however, university departments’ processes and controls need significant improvement to ensure compliance with the university rule. Documentation for Sports Clubs travel with the Campus Recreation department was not retained as required by the department for an estimated ten Sports Clubs travel trips during fiscal year 2016. As a result, auditors were unable to verify whether the university student travel rule and procedures were followed. Additionally, auditors reviewed nine student travel trips with the Rayburn Student Center department and the Campus Recreation department. The following issues were noted:

- Nine of 9 (100%) student travel trips reviewed did not submit trip itineraries and travel passenger lists to the university police department prior to the trip.

- Four of 9 (44%) student travel trips reviewed did not have students complete liability waiver forms for the trips.

- Two of 9 (22%) student travel trips reviewed lacked documentation that student drivers had obtained a motor vehicle check with an assigned driver rating.

- One of 9 (11%) student travel trips reviewed did not have documentation of emergency contact information for student travelers.

University procedures do not contain stated requirements for students to complete liability waivers or state the records retention period for student travel records. Without adequate guidance, monitoring and controls over student travel, the university is at greater risk of injury to students and negative publicity.

Recommendation

Provide training to departments, employees, student organizations, and other applicable groups regarding the university rule governing student travel.
Establish monitoring processes to ensure departments’ procedures and processes are in compliance with the university rule governing student travel, and ensure student travel documentation is maintained in compliance with the A&M System Records Retention Schedule.

Management’s Response

The university will implement the following improvement processes related to student travel:

1. The hiring of the Assistant Director of Event Services, whose job duties include oversight of the student travel process. Further responsibilities of the Assistant Director of Event Services are training, administration, and monitoring of the student travel process.
2. Update and revise University Rule 13.04.99.R1 Student Travel to include processes and control measures related to itinerary, waiver, motor vehicle checks, and emergency contact information.

The expected completion date is August 31, 2017.

2. Hepatitis B Vaccination Forms

Hepatitis B vaccination election forms were not on file for 22 of 30 (73%) employees tested. The university's Bloodborne Pathogens Exposure Control Program offers the Hepatitis B vaccine at no cost to employees who have been identified as having occupational exposure to blood or other potentially infectious materials. A Hepatitis B vaccination election form is to be completed by employees stating that they accept the vaccination, attest to have already been vaccinated or decline to receive the vaccination. A monitoring process has not been implemented to verify required employees have completed a form. Without this completed form from each employee, the university does not have adequate records to support that employees accepted or declined the vaccination.

Recommendation

Implement a monitoring process to ensure that employees with occupational exposure to bloodborne pathogens or other potentially infectious materials complete a Hepatitis B vaccination election form.

Management’s Response

The university will implement the System Bloodborne Pathogens training module that includes the Hepatitis B vaccination election form. This form must be
completed before course acknowledgment and completion. Monitoring of course completions will be in accordance with University Procedure 24.01.01.R0.01 Bloodborne Pathogen and Hazard Communication Training. The university will update this procedure to increase compliance.

The expected completion date is August 31, 2017.

3. Safety Inspections

**Inspection follow-up processes need to be strengthened and monitored more closely to ensure facilities remain safe.** Comprehensive safety inspections are performed regularly based upon the university’s assessment of associated safety risks with higher safety risk facilities requiring more frequent inspections. Results of these safety inspections are documented and reported to management. However, during testing of ten inspection reports, 18 of 42 (43%) deficiencies identified during inspections had not been corrected, and 17 of 42 (40%) deficiencies identified during inspections and subsequently corrected were not corrected in a timely manner. The uncorrected safety deficiencies were generally minor in nature.

The Department of Safety and Risk Management’s standard operating procedure for inspections states that identified deficiencies needing follow-up inspections will be followed up by the Department of Safety and Risk Management within the specified time listed on the inspection summary report, yet the majority of inspection reports reviewed did not have a specified time for when deficiencies should be corrected. Additionally, deficiencies tracked by the Department of Safety and Risk Management do not contain regular status updates of corrective actions taken and dates of scheduled follow-up inspections. Without an effective safety inspection process which includes formal and timely follow-up reviews of deficiencies identified, there is a greater risk of property damage as well as safety hazards for faculty, staff, students, and visitors.

**Recommendation**

Develop and document a more formal process to track safety inspection deficiencies not corrected at the time of initial inspection to ensure appropriate steps are taken to correct identified deficiencies in a timely manner and to help identify trends and areas of additional safety training needs.

The tracking process should include the dates when deficiencies should be corrected, regular status updates of corrective actions taken, and dates of scheduled follow-up inspections based on the stated implementation dates.
Management’s Response

The Department of Safety and Risk Management will make the following improvements:

1. Update Standard Operating Procedure CP-03 Safety Inspections to include follow up inspections and status updates.
2. Provide additional training to departments related to the inspection process and corrective action.
3. Track and monitor safety inspection methods.

The expected completion date is July 31, 2017.

4. Chemical Administration

Chemical storage and handling procedures need improvement. Four of the fifteen (27%) chemicals selected for testing were not stored correctly. Three of those four chemicals were not stored according to the chemicals’ Material Safety Data Sheet (MSDS) requirements. One of those four chemicals was not stored in compliance with the Memorandum of Understanding between the Texas Department of Safety and the Texas Higher Education Coordinating Board which requires additional measures for security and storage of precursor chemicals.

Chemical administration and storage processes within the university are primarily decentralized at the department level. For the departments that have more exposure to hazardous chemicals in the normal completion of their duties, chemicals were properly controlled and adequate safeguards were taken. However, as the opportunity for exposure decreased so did the departmental emphasis on monitoring proper storage and handling procedures. Inadequate procedures and the absence of monitoring heighten the risk for employee/student injury, facility damage, and noncompliance with federal and state requirements. Texas A&M University System Regulation 24.01.01 Risk Management Programs requires each system member to have a chemical safety program that addresses issues of safe and proper storage as well as special storage facilities for regulated materials. Such programs rely on training, inspections, and monitoring to achieve their goals.
Recommendation

Provide increased training on proper chemical storage and handling to those tasked with the custody of hazardous chemicals, with emphasis on departments that do not regularly work with chemicals.

Create and implement procedures to comply with state requirements on precursor chemicals.

Management’s Response

The university agrees with the recommendations of this finding and will make the following improvements:

1. Update current procedures related to chemical administration and handling to include requirements for precursor chemicals.
2. Expand the current Building Emergency Coordinator program to include chemical handling guidelines for all buildings.

The expected completion date is August 31, 2017.

5. Hazard Communication Training

Hazard communication training was not completed by 20 of 416 (5%) employees tested, and 96 of 416 (23%) employees tested did not take hazard communication training within ten days of the employees' dates of hire as required by the university's procedures. The number of days late ranged from 5 to 382 days with an average of 63 days late. The number of employees required to complete the training has rapidly expanded with the growth of the campus. The risk of injury to employees from exposure to chemicals due to improper understanding, handling, use, or storage of those chemicals is increased when training is not taken timely. The university's hazardous communication program requires employees determined to have potential exposure to hazardous chemicals to receive training before working with or in an area containing hazardous chemicals. Additionally, the university's Standard Administrative Procedure 24.01.01.R0.01 Bloodborne Pathogen and Hazard Communication Training requires hazard communication training to be taken by new employees within ten days of the employee’s date of hire.
Recommendation

Increase monitoring efforts to ensure that employees with potential exposure to hazardous chemicals receive required safety training timely, especially prior to initial exposure to these materials.

Management’s Response

A review and update will be completed for University Procedure 24.01.01.R0.01 Bloodborne Pathogen and Hazard Communication Training. This review and update will include improved monitoring processes and guidelines for supervisors and management.

The expected completion date is August 31, 2017.

6. Bloodborne Pathogen Training

Bloodborne pathogen training was not completed by 16 of 345 (5%) employees tested, and 60 of 345 (17%) employees tested did not take bloodborne pathogen training within ten days of the employees’ dates of hire as required by the university’s procedures. The number of days late ranged from 5 to 357 days with an average of 68 days late. The number of employees required to complete the training has rapidly expanded with the growth of the campus. The risk of injury to employees from exposure to bloodborne pathogens due to improper understanding, handling, use, or storage of those substances is increased when training is not taken timely. The university’s bloodborne pathogen exposure control plan requires employees determined to have potential exposure to bloodborne pathogens to receive training before working with or in an area containing those substances. Additionally, the university’s Standard Administrative Procedure 24.01.01.R0.01 Bloodborne Pathogen and Hazard Communication Training requires bloodborne pathogen training to be taken by new employees within ten days of the employee’s date of hire.

Recommendation

Increase monitoring efforts to ensure that employees with potential exposure to bloodborne pathogens receive required safety training timely, especially prior to initial exposure to these pathogens.
Management’s Response

A review and update will be completed for University Procedure 24.01.01.R0.01 *Bloodborne Pathogen and Hazard Communication Training*. This review and update will include improved monitoring processes and guidelines for supervisors and management.

The expected completion date is August 31, 2017.

7. **Spill Prevention, Control and Countermeasure Plan**

A professional engineer has not yet reviewed and certified the university's Spill Prevention, Control and Countermeasure (SPCC) Plan as required by Title 40 of the United States Code of Federal Regulations, Chapter 1, Subchapter D, Part 112. The university has established and implemented an effective SPCC Plan, and as noted in the plan, none of the elements of the university’s plan involve impracticability or alternate methods that would require review and certification by a professional engineer. Nevertheless, due to the university's aggregate oil storage capacity exceeding 10,000 gallons, the university's SPCC plan is required by federal regulation to be reviewed and certified by a professional engineer. The Department of Safety and Risk Management has indicated that they are in the process of obtaining the required certification.

**Recommendation**

Obtain a review and certification of the university's SPCC plan by a professional engineer. Ensure that a review and evaluation of the plan is completed periodically as required by the federal regulations.

Management’s Response

The university is currently seeking to contract a professional engineer to certify the university’s SPCC plan. Regular reviews and evaluations will begin upon certification.

The expected completion date is August 31, 2017.
Basis of Review

Objective and Scope

The overall objective of this audit was to review and assess the controls and processes over health and safety at Texas A&M University - Commerce to determine if the university is in compliance with laws and policies and provides reasonable assurance that a safe environment exists for faculty, staff, students, and visitors.

The audit focused on chemical administration, safety inspections, safety training, spill prevention, control and countermeasure plans, student and faculty travel, and student events. The audit period focused primarily on activities from September 2015 through August 2016. Fieldwork was conducted from October to November 2016.

Methodology

Our audit methodology included interviews, observation of processes, and the review of documentation and testing of data using sampling as follows:

- To determine whether chemicals in inventory were properly labeled, stored and the MSDS information was readily available, auditors judgmentally selected a nonstatistical sample of 30 chemicals from five campus locations.

- To determine if deficiencies identified during safety inspections were being addressed in a timely manner, auditors judgmentally selected a nonstatistical sample of general safety and fire and life safety inspections of nine facilities.

- To determine whether required lab safety training was completed timely by students, auditors selected a random sample of 30 students enrolled in lab courses; 15 from the spring 2016 semester and 15 from the fall 2016 semester.

- To determine whether Hepatitis B vaccination election forms were completed by applicable university employees, auditors used professional judgment to select a nonstatistical sample of 30 employees required to complete the form.
To determine whether student travel was in compliance with university rules and procedures, auditors used professional judgment to select a nonstatistical sample of nine student travel trips during the audit period.

To determine whether faculty international travel was in compliance with A&M System policies and regulations and university procedures, auditors used professional judgment to select a nonstatistical sample of ten international travel trips during the audit period.

To determine whether student events were in compliance with university procedures, auditors used professional judgment to select a nonstatistical sample of ten student events during the audit period.

Criteria

Our audit was based upon standards as set forth in Texas A&M University System Policies and Regulations; Texas A&M University - Commerce Rules and Procedures; Title 40 of the United States Code of Federal Regulations, Chapter 1, Subchapter D, Part 112; Memorandum of Understanding between the Texas Department of Public Safety and the Texas Higher Education Coordinating Board; departmental procedures; and other sound administrative practices. The audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

Additionally, we conducted the 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 a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.
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TEXAS A&M UNIVERSITY

Health Science Center Contract Administration

February 20, 2017

Charlie Hrncir, C.P.A.
Chief Auditor

Project #20162301
Overall Conclusion

Overall, processes and controls established over contract administration at the Texas A&M Health Science Center provide reasonable assurance that contractual agreements are compliant with laws, policies, regulations, and contract terms. Contract monitoring processes are in place and contract terms tested for several major Health Science Center contracts were in compliance with contract requirements. Opportunities for improvement were noted in departmental contract review and routing documentation, and in contract database accuracy.

Detailed Results

1. **Review and Routing Documentation**

   The Health Science Center does not have a consistent process to document the departmental review and routing for contract approvals. University Procedure, 25.07.01.M1.01, *President’s Delegation of Authority for Contract Administration*, requires that departmental contract review and routing be documented as well as review and approvals by contract authorization personnel. The Health Science Center’s electronic contract routing process does not capture the departmental review and routing information. Several of the Health Science Center components have developed departmental routing forms; however, not all components have routing forms. A consistent process for documenting departmental contract review and approval helps ensure that everyone is aware of and understands their responsibilities as well as ensuring that contract terms are in the best interest of the Health Science Center and the university.

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Recommendation

Develop a process to document the review and routing of contracts from the department through authorized signature.

Management's Response

The Texas A&M University Health Science Center will use the Contract/Agreement Approval Transmittal Form currently used by Texas A&M University's Department of Contract Administration to document the review, routing and authorized signatures for contracts. Use of this form will help enhance compliance with University Procedure, 25.07.01.M1.01, President's Delegation of Authority for Contract Administration. This action will be completed by May 1, 2017.

2. Database Accuracy

Additional review and monitoring is needed to ensure that information in the contract database is accurate. Three of eight (38%) of the contracts reviewed had incorrect information recorded in the contract database. Two contracts were entered with incorrect amounts, and one other contract had an incorrect effective date. Contract information is entered into the database when the contract is initially sent to the Contract Administration Office for review and processing. Errors were made when initially inputting the information, and in reviewing and updating information that changed throughout the contract execution process. When populated with accurate information, the contract database helps management ensure contracts are reviewed and approved in compliance with established procedures, and that timely notifications of contract expiration and renewal status are provided to the appropriate departments.

Recommendation

Develop a process to ensure that information in the contract database is properly included and accurately maintained.

Management's Response

Contract Administration personnel will perform a final review of the completed contract to ensure that the information recorded in the contracts database is complete and agrees to the information in the contract. A field will be created in the database template to evidence completion of this review and to indicate the individual who completed the review. This action will be completed by May 1, 2017.
Basis of Review

Objective and Scope

The overall objective of this audit was to review processes for approving and monitoring contracts at the Health Science Center and determine compliance with laws, policies, regulations, and selected contract terms.

The audit focused on contract approval, contract monitoring, and compliance with contract terms. The audit period was primarily September 1, 2015 to August 31, 2016. Fieldwork was conducted from August to November, 2016.

Methodology

Our audit methodology included interviews, observation of processes, review of documentation, and testing of data using sampling as follows:

- To determine if contracts were in place, as applicable, auditors used professional judgment to select a nonstatistical sample of 55 vendors paid using the voucher payment process based upon magnitude of purchases.

- To determine if contracts were in place, as applicable, auditors used professional judgment to select a nonstatistical sample of 30 vendors paid using the payment card process based upon magnitude of purchases.

- To determine if contracts were properly approved and if selected contract terms were in compliance with contract requirements, auditors used professional judgment to select a nonstatistical sample of eight contracts based upon magnitude and risk. This included contracts related to foundation affiliation agreements, interagency agreements, intrasystem agreements, clinical training agreements, and federal matching programs.

- To determine if adequate contract monitoring processes were in place at selected component units throughout the Health Science Center, auditors used professional judgment to select a nonstatistical sample of three contracts from each of the four component units with the greatest number of contracts.

Criteria

Our audit was based upon standards as set forth in Texas A&M University System Policies and Regulations; Texas A&M University administrative procedures, rules and guidelines; stated contract stipulations; and other sound administrative
practices. The audit was conducted in conformance with the Institute of Internal Auditors’ *International Standards for the Professional Practice of Internal Auditing*.

Additionally, we conducted the 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 a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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