The Texas A&M University System Internal Audit Department

FOURTH QUARTER REPORT
FISCAL YEAR 2012

October 18, 2012
| REPORT | Texas A&M Forest Service  |
| REPORT | Review of Human Resources |
| REPORT | Texas A&M University – San Antonio  |
| REPORT | Review of Student Recruitment, Admissions and Enrollment Management |
| REPORT | Prairie View A&M University  |
| REPORT | Review of Human Resources |
| REPORT | Tarleton State University  |
| REPORT | Review of Financial Management Services |
| REPORT | Texas A&M University  |
| REPORT | Review of Procurement Services |
| REPORT | Texas A&M University – Corpus Christi  |
| REPORT | Review of the University’s NCAA Athletic Rules Compliance Program |
| REPORT | Texas A&M AgriLife Research  |
| REPORT | Review of the Norman Hackerman Advanced Research Program Awards |
| REPORT | Texas A&M Engineering Experiment Station  |
| REPORT | Review of the Norman Hackerman Advanced Research Program Awards |
| REPORT | Texas A&M University  |
| REPORT | Review of the Norman Hackerman Advanced Research Program Awards |
| REPORT | The Texas A&M University System Offices  |
| REPORT | Review of Bond Compliance |
| REPORT | Prairie View A&M University  |
| REPORT | Review of the University’s NCAA Athletic Rules Compliance Program |
TEXAS A&M FOREST SERVICE

Review of Human Resources

Catherine A. Smock, C.P.A.
Chief Auditor

Fourth Quarter Report for Fiscal Year 2012
PROJECT SUMMARY

Overview

Human resources processes and controls at the Texas A&M Forest Service require significant improvement to ensure that operational results are achieved efficiently and effectively and in compliance with applicable requirements. Processes for employee hiring, completion of Form I-9s, and employee terminations are not consistently functioning in compliance with A&M System policy and Agency procedures. Opportunities for improvement were also noted regarding the storing of human resource records and data, and performance measures.

The Agency employs approximately 450 budgeted employees along with a number of seasonal employees as needed to assist during the fire season which increases the complexity of the human resources processes at the Agency. The Human Resources department (HR) provides centralized support to all of the Agency’s 54 locations across the state.

The Texas A&M Forest Service is a member of the Texas A&M System’s AgriLife Program, but its HR department does not participate as part of the AgriLife Program’s central human resources function which oversees human resources processes for all other AgriLife Program members. Consideration should be given to the benefits of merging the Agency HR department with the AgriLife Program’s central human resources office for greater potential economies of efficiency as well as to provide additional resources and support to help address the weaknesses noted in this report.

Summary of Significant Results

Hiring Process

Weaknesses were noted in the Agency’s hiring process especially related to seasonal employees hired to assist during the fire season. Employee hiring files reviewed were missing required documentation for fifteen of thirty (50%) budgeted employee hires and all thirty (100%) seasonal employee hires tested. Missing documentation included employment applications and required
vacancy postings for all seasonal employee hires tested. Hiring documentation related to verification of applicant credentials, reference checks, interview rankings, and criminal history checks was also missing to varying degrees for both budgeted and seasonal employee hires tested. Weaknesses in the Agency’s hiring process increases the risk that the Agency cannot demonstrate that the best qualified candidate is hired and that its hiring decision is supported and well documented.

Form I-9s

Form I-9s, Employment Eligibility Verification, were not completed accurately and timely as required by the Department of Homeland Security, US Citizenship and Immigration Services’ Instructions. Of the thirty Form I-9s tested, fourteen (47%) did not have section 1 completed timely or no employee signature date was included to determine timeliness. Section 2 was not completed timely for three (10%) of the Form I-9s tested and five (17%) contained errors. Failure to complete the Form I-9s accurately and timely puts the Agency at risk for possible civil and criminal penalties levied according to the Immigration Reform and Control Act of 1986.

Termination Process

The employee termination process does not ensure employee access to information systems is removed and Employee Personnel Action (EPA) forms are processed in a timely manner for terminated employees. In addition, documentation is not adequate to determine if all keys issued to field office employees have been returned. The lack of an adequate termination process increases the Agency’s risk of misuse or loss of resources and/or property.

Summary of Management’s Response

We agree with the auditors’ recommendations. We plan to have all the necessary corrective actions implemented by September 30, 2013.

Scope

The review of human resources processes at the Texas A&M Forest Service focused on hiring procedures, Form I-9s, termination procedures, and economy and efficiency of operations. The audit reviewed activities at various Agency
locations throughout the state from April 1, 2011 to March 31, 2012. Fieldwork was conducted from April 2012 to June 2012.
The hiring process does not ensure compliance with rules and procedures.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. Hiring Process

Observation

Weaknesses were noted in the Agency’s hiring process especially related to seasonal employees hired to assist during the fire season. There were 126 new hires during the past year of which 47 were budgeted employees and 79 were seasonal employees. Most seasonal employees are not considered to be competitive hires and thus certain aspects of the normal hiring process are not required. Testing included a review of thirty budgeted and thirty seasonal employee hires with the following results:

- No application or other documentation of the applicant’s qualifications and credentials was available for the thirty seasonal employee hires reviewed to determine whether the applicant met the minimum hiring requirements. The Agency uses a special application form for seasonal hires, but the seasonal employee hiring checklist used to guide regional hiring supervisors does not include obtaining the application form.

- The thirty seasonal employee hires reviewed were not posted with the Texas Workforce Commission as required by state law.

- Four of twenty-eight (14%) external budgeted employee hires reviewed did not have sufficient documentation of the rankings related to the applicant’s application or interview. This included instances in which there was no documentation indicating why lower ranking applicants were interviewed while higher ranking applicants were not. In addition, not all of the applications were ranked and some did not have documentation showing the ranking of applicants interviewed.

- Four of thirteen (31%) budgeted employee hires reviewed which had stated education requirements did not have sufficient documentation indicating that required education credentials were verified.

- Eight of fourteen (57%) employee hires reviewed for which the applicant was eligible for selective service had no
1. Hiring Process (cont.)

- Four of twenty-eight (14%) external budgeted employee hires reviewed did not have the required telephone reference contact form completed.

- Two of thirty (7%) seasonal employee hires reviewed had no documentation that the required criminal history check had been performed. In addition, adequate supporting documentation was not maintained in the employee files for seven criminal history checks performed.

- No process is in place to take former foster child or veteran status into account when rating applicants as required. In addition, military service credentials are not verified.

A&M System Regulation 33.99.01 requires that employment decisions be based on job-related factors such as education, experience, knowledge, skills, abilities, licenses and certifications, results of reference checks, and success in previous employment. In addition, every offer of employment shall be conditioned on verification of these relevant job-related credentials and other requirements such as selective service registration and criminal history checks. If external candidates will be considered for the vacancy, it must be listed with the Texas Workforce Commission and preference must be given to any applicants who were former foster children or veterans if other factors are equal.

Hiring procedures are not consistently monitored and enforced to ensure compliance with hiring requirements. The Agency has hiring guidelines and applicant matrices for evaluating applications and interviews as well as forms for documenting required verifications such as reference checks and selective service registration, but these are not consistently used. There are no comprehensive procedures for the seasonal employee hiring process. Without an adequate hiring process, there is a greater risk that hiring files may not contain the documentation required to support the selection of the employee hired and demonstrate that the best qualified candidate was selected.

**Recommendation**

Develop written procedures for processing seasonal hires, including vacancy posting requirements. Ensure an employment application or other documentation that indicates an applicant meets the minimum position requirements is obtained for all employees.
1. Hiring Process (cont.)

Modify current procedures to ensure retention of adequate documentation of criminal history checks for all employees as required.

Develop and implement a process to verify military credentials and to take veteran and former foster child status into account when rating applicants.

Increase monitoring and enforcement to ensure hiring supervisors follow all of the Agency's hiring procedures and provide additional training as needed. Consider having the Agency’s internal management review team include a review of human resources processes for compliance including the above areas.

Management’s Response

We agree with the auditors’ recommendations. We plan to have the necessary corrective actions implemented by December 31, 2012.

2. Form I-9s

Observation

Testing of Form I-9s Employment Eligibility Verification, determined that a significant portion of these forms were not completed accurately and timely in accordance with Department of Homeland Security requirements. Additional instruction and oversight is needed for personnel completing Form I-9s. Specific exceptions noted in our testing include:

- Fourteen of thirty (47%) Form I-9s tested did not have section 1 completed on the employee’s start date as required or timeliness could not be tested due to the form having no signature date. Eleven were completed one day late which management indicated was primarily due to the time spent by some remote employees traveling to College Station on their first day of work for orientation.

- Three of thirty (10%) Form I-9s did not have section 2 completed within four days of the employee’s start date as required. These forms were completed an average of three days late.

- Five of thirty (17%) Form I-9s contained errors including lack of proper issuing authority information for employment authorizations and instances where the employer signed prior to the employee.
2. Form I-9s (cont.)

The Department of Homeland Security, US Citizenship and Immigration Services’ Instructions OMB No. 1615-0047 on Form I-9s has strict compliance requirements related to timeliness and accuracy of the form. Failure to complete the Form I-9s accurately and timely puts the Agency at risk for possible civil and criminal penalties levied according to the Immigration Reform and Control Act of 1986.

Recommendation

Increase monitoring and review of Form I-9s for accuracy and timely completion. Ensure personnel involved with completing and reviewing Form I-9s have received the necessary training and are knowledgeable of Form I-9 completion requirements. Consider having section 1 of the form completed by the employee prior to traveling to College Station for orientation.

Management’s Response

We agree with the auditors’ recommendations. We plan to have the necessary corrective actions implemented by October 31, 2012.

3. Termination Process

Observation

The Agency termination process does not ensure timely removal of access to certain information systems, timely processing of employee personnel action (EPA) forms, and proper documentation of the return of keys for terminated field office employees.

Access to information systems was not removed within one business day following the termination date for two of nine budgeted (22%) and two of ten seasonal (20%) employees having Active Directory/Novell access and four of thirty-three (12%) budgeted and seven of nineteen (37%) seasonal employees having email access. In addition, all four budgeted employees terminated within the past year who had access to the Great Jobs human resources program did not have their access removed until it was identified during the audit which ranged from approximately one month to one year past the employee’s last day worked.

Continued access to Agency systems by terminated employees could result in unauthorized access to confidential data or the misuse of or damage to critical systems and data. This could also damage the Agency’s reputation.
3. Termination Process (cont.)

EPA forms were not completed within five business days following the termination date for four of twenty-five (16%) budgeted employees and thirteen of twenty-five (52%) seasonal employees tested. Seasonal employees are kept active during the year in the event that they are needed again and it was indicated that termination dates for these employees are subjectively determined at some point based on the current fire situation. As a result, in many cases these employees are still shown as active yet they have not worked at the Agency for quite a while. Delayed processing of EPA forms for terminated employee increases the risk that the employee is inappropriately included for payroll processing.

While keys were notated on the out-processing checklist as being returned by terminated Agency employees, supporting documentation indicating specific keys issued to and returned by the employees were not consistently maintained at the field offices. As a result there is an increased risk that all keys were not properly returned which could result in loss of Agency property and equipment.

There are no detailed procedures for the termination process other than the out-processing checklist which does not specify a time period in which termination tasks must be completed or the supporting documentation required for keys returned upon an employee's termination. A separate out-processing checklist used for some seasonal employees does not ensure all necessary termination tasks are properly completed. In addition, out-processing checklists used for budgeted and seasonal employees were not fully completed and signed within one day of the employee's termination date in several instances.

Recommendation

Develop written procedures for processing employee terminations and provide additional training as needed. Specify a time period in which access must be removed and property returned upon an employee's termination. In addition, specify a time limit for termination checklists to be completed and returned to HR and review the checklists upon their return for completeness. Consider adding a "date completed field" for each item on the out-processing checklist to better determine the timeliness of completion.

Require Agency field offices to formally document the issuance and return of keys to better facilitate monitoring and ensure these items are properly returned upon an employee's termination.
3. Termination Process (cont.)

| Improve the process for notifying the Agency Information Technology department of an employee's termination to allow adequate lead time for the employee's access to be removed within one business day of the termination date. |
| Ensure Form 500s/EPAs are processed within five business days of the employee's termination date. Review the current process for seasonal employees to determine the best timeframe for processing their EPAs if not in compliance with the five business day’s timeframe. |

Management’s Response

| We agree with the auditors’ recommendations. We plan to have the necessary corrective actions implemented by December 31, 2012. |

4. Manual Human Resources Files

Observation

The Agency is operating with mostly paper human resources files and records that require manual processing and maintenance. Additional time is also needed to transmit these manual records and files from remote Agency offices to HR which can delay monitoring processes. GreatJobs, an electronic human resources system, is used for processing prospective employee applications but is not used for any other human resources processes or to retain any other electronic human resource records.

The Agency obtained access to use AgriLife’s Laserfiche, an electronic imaging software, approximately two years ago but has not started using it to create electronic records due to a lack of resources resulting from staff turnover and heavy demands during recent fire seasons. Without increasing automation of current human resources processes, the Agency’s HR Department is not operating as efficiently and effectively as possible. In addition, imaging human resources files would allow the ability for HR to store electronic backups of critical HR data in a secure offsite location that could be readily accessed in the event of a disaster.

Recommendation

| Increase utilization of the Laserfiche and/or GreatJobs systems to create electronic copies of critical human resources records and further automate human resources processes. |
Management's Response

4. Manual Human Resources Files (cont.)

We agree with the auditors’ recommendations. We plan to have the necessary corrective actions implemented by September 30, 2013.

5. Performance Measures

Observation

Performance measures have not been developed for human resources operations.

Task-oriented goals have been set up for the HR department; however, there was no indication that performance measures have been established to measure the achievement of these goals. According to the State Auditor’s Guide to Performance Measure Management issued in March 2012, performance measurement serves a number of external, as well as internal purposes and performance information is used by successful agencies to effectively and efficiently manage their operations. As a result, the report strongly encourages the use of performance measures as an integral part of strategic and operational management.

Recommendation

Establish performance measures to evaluate the achievement of the HR department goals and objectives. Monitor performance on a routine basis and effectively communicate results to management.

Management’s Response

We agree with the auditors’ recommendations. We plan to have the necessary corrective actions implemented by June 30, 2013.
BASIS OF REVIEW

Objective

The overall objective of the audit was to review the processes and controls over the Agency’s human resources processes to determine if strategic and operational results and outcomes are achieved in an efficient and effective manner and to determine compliance with laws, policies, regulations and rules.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System; the Texas A&M Forest Service rules and procedures; various other human resource guidelines published by the Texas A&M Forest Service Human Resources department; the State Auditor's Guide to Performance Measure Management, Report No. 12-333; state and federal regulations; and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance 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.

Background

The Texas A&M Forest Service employs approximately 450 budgeted employees and various seasonal employees as needed in offices across the state including twenty-one district offices, thirteen regional protection offices, and twelve urban forestry and pest management offices among others. Texas A&M Forest Service’s Human Resources department provides oversight and support for human resources processes at all Agency locations. This department is staffed with five HR employees (4.5 FTEs) and had a budget of $285,000 for fiscal year 2012. The head of the department reports organizationally to the Associate Director for Finance and Administration.
AUDIT TEAM INFORMATION

Charlie Hrncir, CPA, Director
Brian Billington, CPA, Audit Manager
Holly Blue, CPA
Mark Heslip

DISTRIBUTION LIST

Dr. Mark A. Hussey, Vice Chancellor and Dean of Agriculture and Life Sciences
Dr. William A. Dugas, Associate Vice Chancellor for Business and Strategic Operations and Associate Dean
Mr. Tom Boggus, State Forester & Agency Director
Mr. Robby DeWitt, Associate Director for Finance and Administration
Mr. Bill Dixon, Human Resources Department Head
Mr. Steve Schulze, Assistant Vice Chancellor for Administrative Services
Mr. Mike McCasland, Assistant Director for Risk and Compliance, Texas A&M AgriLife Administrative Services
Fourth Quarter Report for Fiscal Year 2012

TEXAS A&M UNIVERSITY – SAN ANTONIO

Review of Student Recruitment, Admissions and Enrollment Management

Catherine A. Smock, C.P.A.
Chief Auditor

Project #20122502
PROJECT SUMMARY

Overview

Controls over Texas A&M University - San Antonio's admissions and enrollment management processes require significant improvement in certain areas to provide reasonable assurance that operations are performed effectively and efficiently and in compliance with laws, policies, regulations and rules. Weaknesses in controls were identified in the areas of financial awards issued outside of the University's normal financial aid process, the graduation verification process, and the admissions process. Opportunities for improvement were also noted regarding student bacterial meningitis compliance and consistent communication on the student withdrawal/academic dismissal process.

The University has made a significant investment in its student recruitment and retention efforts, particularly through the use of technology. It has implemented an automated recruitment system, scheduling and reporting system, and a scholarship management system. Additionally, software to assist with the degree verification process has been purchased.

The University's enrollment increased 14% in fall 2011 to 3,554 students. Undergraduate students comprise approximately 73% of the student population.

Summary of Significant Results

Financial Aid Awards

Controls are not in place to ensure financial aid awards authorized outside of the University's normal financial aid process are handled appropriately and in compliance with requirements. Six financial aid awards have been made to date through the Office of the President and due to a lack of controls; each of them had some type of non-compliance issue. The non-compliance issues included one recipient being over-awarded federal aid; three recipients not having demonstrated financial need; and two recipients receiving awards in which improper tax actions were taken by the University. There were no specific criteria in place
for determining student eligibility or the dollar amount for these awards. The six awards ranged from $639 to $7,779. Additionally, executive management authorized student tuition and fee waivers that did not comply with state law. The tuition and fee waivers were awarded to individual students based on each one’s unique circumstance. The Texas Education Code states that an institution may waive a fee for a specific category of students, not for a unique individual student situation. Allowing financial aid awards to be processed outside of the University’s normal financial aid process significantly increases the University’s risk for non-compliance and the appearance of favoritism or discriminatory practices.

Graduation Verification Process

Improvements in controls over the University’s graduation verification process are needed. Non-compliance with graduation process requirements were noted in twenty-seven of forty-five (60%) graduating student files reviewed. Examples of errors identified included degree audits not signed by the graduating student and not approved timely, application fees not paid timely, and an inadequate process for verifying credit hour requirements. Additionally, written internal procedures on the graduation verification process have not been developed. Weak controls in this area increase the University’s risk for errors, non-compliance, and inconsistent treatment of students.

Admissions Process

Improvements are needed to ensure that the student admissions process is managed consistently and accurately. Limited staffing, inaccurate information, and the lack of documented procedures and communication resulted in non-compliance and inconsistent treatment among undergraduate, graduate and international student admissions. Additionally, discrepancies in admissions information, including application deadlines and graduate exam score requirements, were identified between the University’s web site and its admissions catalogs. The absence of and lack of adherence to internal controls over the admissions process increases the University’s risk that students may be improperly admitted.
Summary of Management's Response

The University has reviewed the audit findings and concurs with the recommendations for improvements regarding financial aid awards, graduation verification and admissions processes, bacterial meningitis compliance and University catalog updates. The University is committed to satisfactorily addressing these issues. All recommendations are scheduled to be implemented by March 31, 2013.

Scope

The review of student recruitment, admissions and enrollment management at Texas A&M University – San Antonio focused on the areas of admissions; graduation and student drop processes; local scholarships and awards; and compliance with bacterial meningitis requirements. The audit period primarily included activities from January 1, 2011 to December 31, 2011. Fieldwork was conducted from February to June 2012.
OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. Financial Aid Awards

Observation

Controls are not in place to ensure all University financial aid awards are managed appropriately.

Controls are not in place to ensure financial aid awards authorized outside of the University's normal financial aid process are handled appropriately and in compliance with requirements. Six financial aid awards have been issued to date through the Office of the President and all six had some type of non-compliance with various requirements. While the decisions to help these students were well intended, sufficient expertise and controls are not in place for awards issued through the Office of the President. In addition, University executive management awarded tuition and fee waivers to some students based on those students' unique circumstances, rather than being awarded to students who fell into specific categories of need, as specified by Texas Education Code 54.5035 Waiver of Fees.

Due to a lack of controls, each of the six financial aid awards issued to date through the Office of the President resulted in some type of non-compliance issue. The six awards were funded from the President's Circle account and ranged in amount from $639 to $7,779. Three of the awards were issued to students without coordination through the Financial Aid Office resulting in one instance of over-awarded federal aid. Three awards were issued to students who did not demonstrate extraordinary need based on the documentation provided. One of the three acceptable uses of President's Circle funds is to 'provide immediate need to students with extraordinary needs.' In addition, incorrect income tax actions were taken by the University on two of the awards issued. The University does not have specific criteria for determining student eligibility or amounts for awards funded from the President's Circle.

The Office of the President does not have documented procedures for processing financial aid awards. Each of the six awards made through this Office were handled differently. One of the award recipients was asked to complete a hardship application; however, the University does not have a hardship application process in place. The University developed a hardship application for the student to complete. The supporting documentation required according to the hardship application was not submitted and signatures of University management indicating approval were not
1. Financial Aid Awards (cont.) obtained. Other financial aid sources were available to assist this particular student; however, there was no evidence these sources were contacted for consideration.

Several President’s Circle awards and tuition and fee waivers were applied to previous semesters other than the semester in which the award was made. Retroactive application could result in the need to restate reports such as the federal FISAP report provided to external parties including the Texas Higher Education Coordinating Board.

In addition to awards made from the President’s Circle account, a second scholarship is being developed which the University intends to manage through the Office of the President. This will increase the number of students receiving financial aid awards through the Office of the President. Outside of these two programs, all other financial aid is managed through the Financial Aid Office. The University has documented procedures and knowledgeable staff in their Financial Aid Office who are responsible for determining student eligibility for receiving financial aid in the form of scholarships and recording and tracking this information in the student information system. Managing scholarships from different areas within the University results in the duplication of effort as employees in each area must be trained on scholarship processes and continue to receive training as processes change. Communication between each area must be strong to ensure students are not over-awarded aid and that all funds provided to students are recorded in the financial aid modules of the student information system.

Allowing financial aid awards to be processed outside of the University's normal financial aid process significantly increases the University's risk for non-compliance. In addition, awarding aid and tuition and fee waivers based on individual student circumstances instead of defined criteria can create the appearance of favoritism and discriminatory practices which could damage the University’s reputation.

Recommendation

Consider relocating the management of all financial aid awards to the Financial Aid Office. While some awards may require final approval by the University president, the selection and awarding processes could be managed through the Financial Aid Office based on established criteria.

If certain financial aid awards continue to be managed by the Office of the President, ensure the Financial Aid Office is aware of all awards issued so that the awards can be recorded in the financial aid modules of the student information system. Also, establish
1. Financial Aid Awards (cont.)

written procedures and criteria for the awards managed through the
Office of the President in order to allow for equal opportunities
among all students.

Determine if it is within the University’s mission to provide students
with hardship scholarships and tuition and fee waivers. If providing
the awards fits within the mission, establish formal processes and
written procedures for the application and award of the hardship
scholarships and tuition and fee waivers.

Determine if the student who was over-awarded federal aid due to
receipt of a President’s Circle award must repay any of the federal
award; take appropriate corrective actions as needed.

Determine if any corrective tax actions should be taken for the two
President’s Circle awards taxed inappropriately; take corrective
actions as needed.

Determine if student aid reports must be restated due to retroactive
application of awards; take appropriate corrective actions as
needed.

Management’s Response

The University will ensure the selection and awarding processes of
all financial aid awards are managed through the Financial Aid
Office and ensure the Financial Aid Office has updated
guidelines/procedures to accomplish this responsibility.

Estimated Completion Date: March 31, 2013

The University will establish formal processes and written
guidelines/procedures for the application and award of hardship
scholarships and waivers of applicable tuition and fees.

Estimated Completion Date: March 31, 2013

The University will determine if the student over-awarded federal aid
due to receipt of a President’s Circle award must repay any of the
federal award and will take appropriate actions as needed.

Estimated Completion Date: March 31, 2013

The University will determine if any corrective tax actions should be
taken for the two President’s Circle awards taxed inappropriately
and will take appropriate corrective actions as needed.
1. Financial Aid Awards (cont.)

<table>
<thead>
<tr>
<th>Controls in place over the graduation process are weak.</th>
<th>Estimated Completion Date: March 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>The University will determine if student aid reports must be restated due to retroactive application of awards and will take appropriate corrective actions as needed.</td>
<td></td>
</tr>
</tbody>
</table>

Estimated Completion Date: March 31, 2013

2. Graduation Verification Process

Observation

For 27 of 45 (60%) graduating student files reviewed, including both undergraduate and graduate students, various errors were identified in the graduation verification process. The date the graduation application was received by the University was not recorded on 27% of applications reviewed and 20% of the application fees were not paid by the deadline. Student signatures were not found on 26% of degree audits reviewed. According to University guidelines, graduation applications should be denied if the student does not sign the degree audit. Nineteen percent of degree audits were approved more than two weeks after the commencement ceremony ranging from 16 to 30 days.

The process for verifying credit hour requirements is also inadequate. For six files reviewed, the credit hours recorded in the student information system were not sufficient to meet graduation requirements. Upon review of the student paper files held with the academic advisor, it was determined sufficient credit hours for graduation were earned by each of the six students. Total credit hours had not been consistently recorded within the same area of the student information system yielding incomplete records. It was also noted that degree audit forms used to verify graduation eligibility varied among the graduate departments as well as between the graduate and undergraduate schools.

While the University does have publicized procedures for students to complete for graduation verification purposes, no written internal procedures have been developed for employees involved in the graduation verification process. Thus, there is no formal, standardized guidance to ensure graduation verification processes are being performed consistently and appropriately for all students ready for graduation. Weak controls over the graduation verification process increases the University’s risk for errors, non-compliance with requirements, and inconsistent treatment of students.
Recommendation

2. Graduation Verification Process (cont.)

Improve the University's graduation verification process by:

- Developing written internal procedures for the graduation process to ensure employees have a standard set of guidelines to follow.

- Training employees responsible for assisting students through the graduation process so they have a full understanding of procedural requirements including but not limited to deadlines, credit hour requirements, and reviews of degree audits with graduating students.

- Increasing efforts to approve degree audits for all graduating students in a timely manner.

- Standardizing degree audit forms used among graduate departments. Consider standardizing the graduate degree audit form with the undergraduate degree audit form.

Management's Response

The University will develop written internal guidelines/procedures for the graduation process to ensure employees have a standard set of guidelines to follow.

Estimated Completion Date: March 31, 2013

The University will train all employees involved in the graduation process to ensure they have a full understanding of graduation guidelines/procedures.

Estimated Completion Date: March 31, 2013

The University will establish deadlines for having degree audits completed for all graduating students.

Estimated Completion Date: March 31, 2013

The University will standardize its degree audit forms used among graduate programs and will evaluate the feasibility of standardizing this form with the undergraduate degree audit form.

Estimated Completion Date: March 31, 2013
3. Admissions Process

Observation

Limited staffing, inaccurate information, and the lack of documented procedures and communication resulted in non-compliance and inconsistent treatment in the handling of student admissions. Discrepancies in admissions information were identified between the University's web site and its admissions catalog for undergraduate, graduate and international admissions. Examples of differences include deadlines for application submissions, graduate exam score requirements, and financial requirements for international students.

Due to limited staffing and continued growth in enrollment, application decision codes are not re-evaluated and updated regularly in the University's student information system for undergraduate students. Five of thirty-one (16%) files reviewed did not have the appropriate application decision code recorded in the student information system. Application decision codes are used to denote whether student admissions information is complete or still requires additional information such as transcripts. Once all required documentation is received the application decision code should be updated to mark the record as complete. Not updating the code results in users having inaccurate information which could result in future unwarranted registration issues for students as they may not be able to register for additional courses or continue enrollment if their student file is incorrectly coded. It was also noted that for 3 of 31 (10%) student records reviewed, admissions requirement information was not available in the student information system. The required information was located in each student's paper admissions file; however, the student information system is considered the official student record and should be kept current.

Graduate student admission responsibilities are shared between the Office of Admissions and individual departments; however, responsibilities for each area are not documented. This results in inconsistencies in the handling of graduate admissions. Ten of thirty (33%) graduate school applications reviewed were not received by the deadline. Four of thirty (13%) students who did not meet the University's admissions criteria were admitted to graduate school. Three of these four students were admitted without being required to submit graduate test scores. According to University admission requirements all students applying for graduate school, except those who currently hold a graduate degree and are seeking a certification or endorsement only, must submit graduate test scores.

Improvements in the admissions process are needed to ensure student admissions are handled consistently and accurately.
Of the thirty graduate student files reviewed, 25 (83%) of the students were admitted conditionally by the admitting department. Test work revealed that four of twenty-five (16%) graduate students admitted conditionally did not meet their conditional requirements prior to continuing enrollment at the University. For these conditional admits there is not sufficient communication in place between the Office of Admissions and the individual departments to ensure specific conditional requirements will be met. For example, graduate test score results are sent directly to the Office of Admissions. Upon receipt of the test scores, the Office of Admissions could release any holds related to test scores. However, if the conditional requirement placed on the student was to achieve a specific test score, the hold could be released without knowing if that specific test score was actually met. We noted that the majority of graduate student files reviewed (77%) included a departmental evaluation sheet which clearly defined what conditional requirements were placed upon a student’s admission. This form is not currently required to be completed for all students admitted conditionally, but could be an effective tool in ensuring sufficient communication occurs between the Office of Admissions and the individual departments.

Of the three international student admission files tested, one student was admitted with restrictions. According to the University catalog, international students are not eligible for conditional admittance. This student also did not submit sufficient proof of ability to meet personal and academic expenses and graduate test scores. The international student population at the University is currently low; however, management is anticipating growth in this area. Management will need to ensure that international student admissions requirements are followed.

The lack of well documented procedures, clear delineation of responsibilities and trained employees increases the University’s risk for improper student admissions, inadequate monitoring and oversight for conditionally admitted students, and inaccurate student information.

Recommendation

Improve the University’s admission process as follows:

- Monitor and update public information about the University’s admissions requirements for undergraduate, graduate, and international student admissions to ensure the information is current and consistent on the University’s web site, in the student catalog, and any other locations where this information may be publicized.
3. Admissions Process (cont.)

- Continually review and update undergraduate application decision codes on records in the student information system. Ensure student information received in paper form is entered into the student information system in a timely manner.

- Provide training regarding the admissions process to employees involved in the undergraduate, graduate and international student admissions process.

- Document the separation of responsibilities for the graduate admissions process between individual departments and the Office of Admissions.

- Improve communications between the Office of Admissions and individual departments on conditionally admitted graduate students to ensure that a student who has not met the conditional requirements is not allowed to continue enrollment. Consider requiring the use of the departmental evaluation sheet as a means to communicate the information for all graduate students admitted conditionally.

**Management's Response**

The University will monitor and update public information about the University's admissions requirements for undergraduate, graduate, and international student admissions to ensure the information is current and consistent on the University's web site, in the student catalog, and any other locations where this information may be publicized. The Admissions Office will forward any changes to the admissions criteria to the Assistant Vice President for Academic Affairs responsible for creation of the University's catalog, will ensure enrollment management web pages are updated with this updated information, and will send these updates to all University vice presidents for them to ensure any admissions information provided by their departments is updated accordingly.

*Estimated Completion Date: March 31, 2013*

The University will ensure undergraduate application decision codes on records in the student information system are reviewed and updated as needed and will ensure student information received in paper form is entered into the student information system in a timely manner.

*Estimated Completion Date: March 31, 2013*
3. Admissions Process (cont.)

The University will provide annual training regarding the admissions process to employees involved in the undergraduate, graduate, and international student admissions process.

Estimated Completion Date: March 31, 2013

The University will document the separation of responsibilities for the graduate admissions process between departments and the Office of Admissions.

Estimated Completion Date: March 31, 2013

The University will improve communications between the Office of Admissions and individual departments for conditionally admitted graduate students to ensure that a student who has not met the conditional requirements is not allowed to continue enrollment by requiring the use of the department evaluation sheet as a means to communicate the information for all graduate students admitted conditionally.

Estimated Completion Date: March 31, 2013

4. Bacterial Meningitis Compliance

Observation

The University needs to improve its documentation of student extensions in order to demonstrate full compliance with the state's new bacterial meningitis requirements. Of the eighteen student files tested, five (28%) were granted an extension allowable by state law. However, the extensions were provided verbally with no physical documentation to support them. One of the five (20%) students granted the extension did not receive the vaccination within the extension period and was allowed to continue coursework. The student did receive the vaccination five days after the allowable extension period.

New requirements on bacterial meningitis vaccinations became effective January 1, 2012. University management had received little guidance regarding how the requirements of the new law should be implemented. Inadequate controls and procedures increase the University's risk for non-compliance and ineffective mitigation of the risks related to bacterial meningitis.
4.  Bacterial Meningitis
Compliance (cont.)

Establish clear guidelines and documentation requirements for bacterial meningitis vaccinations and train employees on the requirements. Ensure extensions granted to students are documented in writing and include a justifiable circumstance for providing the extension and have signatures of both a University official and the student. Monitor to ensure students given an extension receive the vaccination within the extension time period; and, if necessary, take appropriate actions on those who do not comply.

Management’s Response

The University will establish guidelines to include documentation requirements for bacterial meningitis vaccinations and will train employees on the requirements. The University will document all extensions in a written format and include a justifiable circumstance for providing the extension. This documentation will have signatures of both a University official and the student. The University will include in the guidelines the requirement to monitor files to ensure students given an extension receive the vaccination within the extension time period and, if necessary, take appropriate actions on those who do not comply.

Estimated Completion Date:  March 31, 2013

5. University Catalog Updates

Observation

The student academic catalog found online and in print did not contain current guidelines regarding the student enforced withdrawal/academic dismissal process. According to management, revisions and updates were submitted; however, the updates were not captured in the final information made public. The revised withdrawal/dismissal procedures provide more detail for students than the information currently available.

Without current, accurate information, students may not be aware of academic and financial requirements in place nor the options available to address concerns. Information contained in student handbooks and publicized on the University's web site should be updated regularly to ensure the most current requirements and guidelines are available.
### Recommendation

| 5. University Catalog Updates (cont.) | Establish processes to keep public information up-to-date and current, particularly on the University's web site. Ensure the current guidelines for the student enforced withdrawal/academic dismissal process are captured in the University's information made available to students both online and in print. |

### Management’s Response

*The University concurs with this recommendation. The Assistant Vice President of Academic Affairs responsible for the University’s catalogs will establish a process to keep public information current and will ensure information posted on the website relating to information in the catalog matches the information in the catalog. The Assistant Vice President of Academic Affairs will ensure that the student enforced withdrawal/academic dismissal process is captured correctly in all University information published on these topics.*

*Estimated Completion Date: March 31, 2013*
BASIS OF REVIEW

Objective

The objective of the audit was to review the University’s recruitment, admissions and enrollment management processes and controls to determine if strategic and operational results and outcomes are achieved in an efficient and effective manner and in compliance with laws, policies, regulations and rules.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System, Texas A&M University – San Antonio Rules, the Texas Education Code, and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance 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.

Background

Texas A&M University – San Antonio became a stand-alone university in 2009. The University is experiencing significant growth in both its undergraduate and graduate programs. In fall 2011 the University’s total enrollment was 3,554 students comprised of 2,604 undergraduate and 950 graduate students. This represented a 14% increase in the total student population from fall 2010.
AUDIT TEAM INFORMATION

Dick Dinan, CPA, Director  
Kim Pekar, CPA, Audit Manager  
Aliza Dirden, CIA  
Madelyn Galloway  
Katina Greenlee, CPA

DISTRIBUTION LIST

Dr. Maria Hernandez Ferrier, President  
Dr. Charles Rodriguez, Chief of Staff and Vice President for Strategic Initiatives  
Dr. Brent Snow, Provost and Vice President for Academic Affairs  
Mr. Ken Mitts, Vice President for Finance and Administration and Chief Financial Officer; Interim Vice President for Student Affairs
PRAIRIE VIEW A&M UNIVERSITY

Review of Human Resources

Catherine A. Smock, C.P.A.
Chief Auditor
PROJECT SUMMARY

Overview

| Prairie View A&M University’s processes and controls over human resources need improvement to provide reasonable assurance that human resources operations are performed effectively and efficiently and in compliance with applicable laws, policies, regulations, and rules. Significant weaknesses in controls were identified in the areas of organizational accountability in decentralized human resources processes, the employee grievance process, and the employee termination process. Opportunities for improvement were also identified in the areas of performance evaluations and position descriptions, staff hiring processes, records retention, and development of University human resources rules and/or procedures. The University’s Office of Human Resources has eleven full-time employees serving approximately 1,500 staff and faculty. |

Summary of Significant Results

Organizational Accountability

Departmental employees are not being held accountable for complying with the University’s human resources rules and procedures. A significant number of non-compliance issues were noted despite improvements since our prior 2006 audit of the Office of Human Resources. The lack of accountability by the decentralized departmental employees helped cause a number of the control weaknesses identified in this report. It also significantly increases the University’s risk of non-compliance with human resources laws, policies, regulations, and rules.
Employee Grievance Process

Employee grievances are not reviewed timely to ensure compliance with System Regulation 32.01.02, Complaint and Appeal Process for Nonfaculty Employees. Assigned administrators did not complete the review timely for five of six (83%) grievances in fiscal year 2012 and eight of thirteen (62%) grievances in fiscal year 2011. Grievances that are not reviewed timely increase the risk of inconsistency in the treatment of employees and possible legal actions or litigation against the University.

Employee Termination Process

The University’s employee termination process is not consistently followed to ensure that all requirements are completed in a timely manner. Improvements are needed in the timely removal of access to information systems and the timely processing of employee payroll action (EPA) forms. The lack of a timely termination process increases the University’s risk of misuse or loss of resources and assets.

Summary of Management’s Response

Management appreciates the System Internal Audit Department’s efforts to identify issues needing improvement and steps necessary to ensure improvement is achieved. We are committed to satisfactorily addressing these issues and have developed and enhanced procedures to address these issues.

Scope

The review of human resource processes at Prairie View A&M University focused on the staff hiring process, Form I-9s, performance evaluations and position descriptions, the grievance process, required employee training, staff termination process, and required member rules and/or procedures. Also, the People Admin employee management system (PV PAWS) service agreement was reviewed for completeness. The audit period focused primarily on activities from September 2010 to March 2012. Fieldwork was conducted from May 2012 to July 2012.
OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. Organizational Accountability

Observation

Departmental personnel are not held accountable for complying with human resources requirements.

Departmental employees are not being held accountable for complying with the University’s human resources rules and procedures. Since our previous audit in 2006, the Office of Human Resources has improved its communication and monitoring processes over human resources operations. The Office of Human Resources has also been proactive in raising awareness of human resources compliance standards through training and other forms of communication. Despite these improvements numerous human resources non-compliance issues were noted during this audit that were similar to the issues noted in the 2006 audit.

The controls put in place by the Office of Human Resources can only be effective if departmental employees are held accountable for compliance with the University’s human resources rules and procedures. The lack of accountability of departmental employees helped cause a number of the control weaknesses identified in this report. It also places the University at significant risk of non-compliance with applicable laws, policies, regulations, and University rules and procedures.

Recommendation

Evaluate and develop an effective organizational accountability structure for human resources operations to improve compliance with University rules and procedures. Inform senior management of non-compliance with human resources requirements. Establish consequences for non-compliance when appropriate.

Management’s Response

We agree with your recommendations.

The Office of Human Resources management will conduct the following, but not limited to ensuring accountability of human resources operations:

__________________________
1. Organizational Accountability (cont.)

- Provide the Senior Vice President for Business Affairs with a periodic report of individuals, departments and/or colleges who have been found to be in non-compliance of specific human resources rules and/or procedures;

- The Senior Vice President for Business Affairs will then notify the President and his executive council of these non-compliant issues;

- When officially notified of a human resources rule and/or procedure violation, the area vice president will be responsible for imposing disciplinary action to all relevant parties associated with the violation, ranging from verbal reprimand to removal from position dependent upon the frequency of the violation;

- All documentation relative to personnel actions taken against employees found to be in violation of human resources rules and procedures will be placed in the employee’s official personnel file; and,

- The University’s employee performance evaluation form will be modified to have all supervisors certify that they are compliant with all human resources rules and procedures.

This process will be implemented by January 31, 2013.

2. Employee Grievance Process

Observation

Employee grievances are not handled timely by the administrators assigned to conduct the reviews.

Non-faculty employee grievances are not consistently processed in compliance with System Regulation 32.01.02, Complaint and Appeal Process for Nonfaculty Employees. Five of six (83%) grievances processed in fiscal year 2012 and eight of thirteen (62%) grievances processed in fiscal year 2011 were not submitted timely by the administrator assigned to review the grievance. System Regulation 32.01.02 requires the designated administrator to review the grievance and provide a written decision to the human resources officer within 15 business days of the administrator’s receipt of the complaint. On average the administrators were 19 days past the deadline date.

The Office of Human Resources has an effective monitoring process in place to track the processing of employee grievances. When grievances are assigned to an administrator for review, the Office of Human Resources provides the assigned administrator with a cover letter signifying the date a response is due back to
2. Employee Grievance Process (cont.)

The employee termination process is not completed in a timely manner. The Office of Human Resources also sends reminders via telephone and email to the assigned administrator. In the exceptions noted above, the administrator did not respond by the applicable deadlines even after repeated reminders. The administrators need to be held accountable for complying with the requirements in System Regulation 32.01.02.

Employee grievances that are not handled in compliance with System regulations increase the risk of inconsistent treatment of employees and possible legal actions or litigation.

Recommendation

Provide training to administrators on the current grievance process and requirements to ensure compliance with System Regulation 32.01.02. Monitor the process and establish accountability for those that do not comply.

Management's Response

We agree with your recommendations.

The Office of Human Resources will ensure compliance with this regulation by developing a training module specially designed to train all managers, department heads, vice presidents, as well as other individuals designated to conduct investigations. This training will be mandatory for individuals involved in the process and training must be completed prior to conducting an investigation. The training will address the role of all individuals involved in responding to employee grievances timely and in accordance with the above mentioned System regulation in order to avoid the risk of inconsistent treatment of employees and possible legal action. The frequency of this training will occur every two (2) years and all training completed by the Vice President will be officially reported to the President.

This process will be implemented by January 31, 2013.

3. Employee Termination Process

Observation

The University’s employee termination process is not consistently followed to ensure that all requirements are completed in a timely manner. Improvements are needed in the timely removal of access to information systems and the timely processing of employee payroll action (EPA) forms. Information technology system access
3. Employee Termination Process (cont.)

was not removed within one business day after termination for 22 of 30 (73%) terminations reviewed. The EPA final payroll documentation was not created within five business days for 4 of 30 (13%) terminations reviewed. In addition, employee identification cards were not returned timely for 16 of 25 (64%) employees.

It was also determined that the termination process was not initiated timely for 13 of 30 (43%) terminations reviewed. The employee termination notification from the department to the Office of Human Resources was not consistently sent prior to the employee’s termination date. Additionally, the Office of Human Resources did not consistently send the email notification timely to the Employee Clearance Team to begin the process of clearing the employee from University resources. The Office of Human Resources relies on the Employee Clearance Team to ensure a terminated employee’s access is removed timely. There are multiple departments involved in the termination process. Our review indicated that many of these departments did not notify or respond to the Office of Human Resources in a timely manner which delayed the termination process. In response, the Office of Human Resources initiated second and third requests to the Employee Clearance Team to clear information in the termination process.

In addition, the employee Clearance Form, required by University Administrative Procedure 33.99.99.P0.01, Employee Clearance from the University, was not completed for 11 of 30 (37%) terminations. These eleven forms were missing supporting documents, finalization signatures, and the completion was waiting on pending items from the terminated employee. Additionally, 13 of the 19 (68%) completed forms reviewed were processed over thirty days after the employee’s termination date.

The Office of Human Resources had operating standards in place that the termination process needed to be completed within 30 days of the employee’s termination. Best practices in place are to terminate an employee’s access to information technology resources within 24 hours of termination and remove terminated employees from the payroll system within a week of termination. Delays in processing employee terminations, particularly removing an employee’s access to information technology resources and the payroll system increases the University’s risk for unauthorized access to confidential or mission-critical data and misappropriation of funds.

Recommendation

Improve the current termination process to ensure all items on the University’s Clearance Form are completed in a timely manner.
3. Employee Termination Process (cont.)

| Performance evaluations and position descriptions are not completed timely. |
| Develop a streamlined method to effectively remove terminated employees’ access timely. Improve communications among applicable departments to ensure all parties are addressing their responsibilities related to the out-processing of terminated employees. Ensure the Employee Clearance Team and the Office of Human Resources monitors the process for compliance. |

**Management’s Response**

*We agree with your recommendations.*

The Office of Human Resources, in conjunction with the Office of Information Technology, will develop a portal that will terminate access from Prairie View systems within twenty-four hours for exiting employees.

The Office of Human Resources will communicate and train all administrative assistants and supervisors on the importance of executing the EPA document within at least twenty-four hours of an employee termination notification.

The Employee Clearance Team will work closely with the Office of Human Resources to monitor the termination process for compliance with University procedures.

*This process will be developed and implemented by April 30, 2013.*

4. Performance Evaluations and Position Descriptions

**Observation**

Performance evaluations and position descriptions for non-faculty employees are not completed and reviewed in a timely manner. Annual performance evaluations are not consistently submitted to the Office of Human Resources by the required deadline. For calendar year 2010, 528 of 654 (81%) of annual performance evaluations were submitted after the due date. These late performance evaluations were an average of 36 days late; however, they ranged up to 7 months past due. There was improvement for calendar year 2011 in that only 236 of 670 (35%) were completed after the due date for an average of 14 days late and ranging up to 2 months past due.

Additionally, departments did not consistently update or verify the accuracy of employee position descriptions at the time of the annual performance evaluation. For calendar year 2010, the Office of Human Resources did not monitor the completion of the
4. Performance Evaluations and Position Descriptions (cont.)

review and/or update of the employee’s position description. For calendar year 2011, 159 of 670 (24%) of the performance evaluations did not include documentation to support the review and/or update of the employee’s position description during the annual performance evaluation.

The Office of Human Resources has implemented a monitoring process to track and determine if annual evaluations are completed timely and include required documentation to support the review and/or update of the employee’s position description. As part of the monitoring process, the Office of Human Resources has initiated reminders to departments and University management to compel the timely completion of the annual performance evaluations.

System Regulation 33.99.03, Performance Evaluations for Non-faculty Employees, requires employee performance to be evaluated each year and position descriptions to be reviewed. Timely performance evaluations are important to provide employees feedback on their performance and a clear understanding of their job duties.

Recommendation

Develop and implement a plan to promote compliance with annual employee performance evaluations and position description requirements. Monitor the process for departmental compliance and enlist the assistance of executive management when necessary to promote compliance.

Management’s Response

We agree with your recommendations.

The Office of Human Resources management will conduct the following, but not limited to ensuring accountability of human resources operations:

- Provide the Senior Vice President for Business Affairs with a periodic report of individuals, departments and/or colleges who have been found to be in non-compliance of specific human resources rules and/or procedures;

- The Senior Vice President for Business Affairs will then notify the President and his executive council of these non-compliant issues;
4. Performance Evaluations and Position Descriptions (cont.)

- When officially notified of a human resources rule and/or procedure violation, the area vice president will be responsible for imposing disciplinary action to all relevant parties associated with the violation, ranging from verbal reprimand to removal from position dependent upon the frequency of the violation;

- All documentation relative to personnel actions taken against employees found to be in violation of human resources rules and procedures will be placed in the employee’s official personnel file; and,

- The University’s employee performance evaluation form will be modified to have all supervisors certify that they are compliant with all human resources rules and procedures.

This process will be implemented by January 31, 2013.

5. Staff Hiring Processes

Observation

Staff hiring processes need improvement to ensure compliance with the University’s hiring process requirements. Two of thirty (7%) new hires reviewed were not posted with the Texas Workforce Commission as required by System Regulation 33.99.01, Employment Practices. When seeking external candidates, the normal posting and recruiting procedures can be waived through an exception to hire process; however, the posting requirements with the Texas Workforce Commission cannot be waived. Failure to post these job postings circumvented the oversight and review processes put in place by the Office of Human Resources and Equal Employment Opportunity Office. The oversight and review processes are in place to ensure compliance throughout the hiring process. Additionally, the official hiring files did not contain appropriate information to support the selection of the employees hired and did not demonstrate that the best qualified candidates were selected in an objective and unbiased manner. Hiring files did not include interview questions, responses, and applicant rankings and scores on the hiring matrix.

In addition, hiring departments did not obtain approval from the Equal Employment Opportunity Office prior to conducting applicant interviews for thirteen of thirty (43%) new hires reviewed. Prior approval by the Equal Employment Opportunity Office promotes compliance with System Policy 08.01, Civil Rights Compliance and is required by the Equal Employment Opportunity Office’s Hiring Process Guidelines/Checklist.
5. Staff Hiring Processes (cont.)

Additionally, five of thirty (17%) new hires reviewed had position descriptions that either lacked signatures, dates, or were missing entirely from the PV PAWS system and/or Laserfiche.

**Recommendation**

Review the current staff hiring process in place to determine if the process is efficient and effective. If changes are made to the hiring process, communicate these changes university-wide. Monitor for compliance with hiring process requirements. Implement procedures to be followed if exceptions to the hiring process are allowed. Ensure that the Office of Human Resources and the Equal Employment Opportunity Office are notified of hiring process exceptions so they can monitor compliance with all applicable laws, policies, regulations and rules.

**Management’s Response**

*We agree with your recommendations.*

*The Office of Human Resources management will implement a new platform of the PeopleAdmin System in June 2013. The new system will enhance our overall effectiveness and efficiency in the management of the hiring process. However, prior to the implementation of the system, we will have “focus groups” representing various employee groups on campus to examine the new system and offer any suggestions on how to best streamline the hiring process. Upon completion of this platform, processes and procedures will be updated accordingly.*

*This process will be implemented in July 31, 2013.*

6. Records Retention

**Observation**

Official hiring records are not complete and retained as required.

All applicable hiring records are not currently maintained in the Office of Human Resources or electronically in the PV PAWS system. The Office of Human Resources is the official custodian for employment selection records according to the University Records Retention Schedule Section 3.3.014. As part of the hiring process, hiring departments provide the Equal Employment Opportunity Office with copies of any interview notes, hiring matrices and other applicable documentation. These documents were not uploaded into PV PAWS or submitted to the Office of Human Resources for inclusion in the official hiring file by either
6. Records Retention (cont.)

the Equal Employment Opportunity Office or the department. The Records Retention Schedule 3.3.014 states, "Includes notes of interviews with candidates…and all other records that document the selection process." The lack of documentation to support hiring decisions increases the risk that the University cannot demonstrate that the best qualified candidate for the position was hired.

Additionally, the Office of Human Resources is in the process of moving hard copy personnel files and applicable documents into an electronic filing system, Laserfiche. During this review, accessibility to the Laserfiche records was limited and time consuming for Human Resources staff to retrieve. Accessibility of records is critical when information needs to be retrieved in a form and timeframe that enables people to carry out their responsibilities.

Recommendation

Update hiring documentation requirements to ensure that official hiring files contain appropriate information to demonstrate qualified candidates are selected. Retain records in accordance with the University's Records Retention Schedule.

Assess the current status of human resources records within Laserfiche and establish a timeline with targets and milestones to ensure full accessibility of human resources records within Laserfiche. Develop a checklist or standard for new human resources records within Laserfiche to build a future record system which is readily accessible.

Management's Response

We agree with your recommendations.

The Office of Human Resources will implement the new platform of PeopleAdmin in June 2013. Interview notes, hiring matrices and other applicable documentation will be captured in the new system.

The Office of Human Resources, in conjunction with the Office of Equal Opportunity, will develop the functionality in PeopleAdmin system to ensure departments upload documents electronically related to the entire hiring process.

The Office of Human Resources will hire a temporary Records Specialist by January 1, 2013, whose sole duty will be to scan, review and move records pertaining to all records of HR. The Office of Human Resources will also ensure the requisite permissions and
6. Records Retention (cont.)

Training are given to all Human Resources staff to ensure records are maintained in the Laserfiche system.

The Office of Human Resources will determine if it is feasible to add additional scanners for each hiring function.

This process will be implemented by July 31, 2013.

7. Required University Rules and/or Procedures

Observation

The University has not created the required rules and/or procedures for two of four (50%) System Human Resources regulations reviewed that require System members to have a rule and/or procedure in place. The lack of required University rules and procedures increases the risk that the University is not in compliance with System policies and regulations and that employees are unaware of requirements.

System Regulation 08.01.01, Civil Rights Compliance requires members to “develop and publicly display a procedure for the receipt, investigation and resolution of discrimination, sexual harassment or related retaliation complaints.” The University currently tracks all required University rules and procedures; however, this regulation although included in the tracking spreadsheet was not fully developed into a University procedure.

System Regulation 33.99.14, Criminal History Record Information states, “Each system member shall have a rule addressing the implementation of this regulation.” As opposed to a member rule, the University has a procedure in place for this regulation. The Office of Human Resources has submitted a proposed rule to the System Office of Planning and Policy to address this System regulation.

Recommendation

Develop and publish all applicable University rules and/or procedures for human resources as required by System policies and regulations.
Management’s Response

7. Required University Rules and/or Procedures (cont.)

We agree with your recommendations.

The Office of Human Resources in conjunction with the University Compliance Office will develop and publish all applicable University rules and/or procedures related to human resources, as required by System policies and regulations.

The Office of Human Resources management in conjunction with the University Compliance Office will monitor to ensure compliance with these requirements.

This process will be implemented by January 31, 2013.
BASIS OF REVIEW

Objective

The overall objective was to review the processes and controls over human resources at Prairie View A&M University to determine if strategic and operational results and outcomes are achieved in an efficient and effective manner.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System; Prairie View A&M University rules and administrative procedures; and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance 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.

Background

The Prairie View A&M University Office of Human Resources reports to the Associate Vice President for Human Resources who reports to the Senior Vice President for Business Affairs. The mission of the Office of Human Resources is to support the University in attracting, developing and retaining a highly qualified and productive workforce. Human resources operations are centrally monitored to ensure compliance with laws, policies, regulations, and University rules and procedures.

The University had approximately 1,494 staff and faculty with combined salaries, wages and benefits of approximately $86 million in fiscal year 2011.
AUDIT TEAM INFORMATION

Dick Dinan, CPA, Director
Nora Miles, CPA, Audit Manager
Lori Ellison

DISTRIBUTION LIST

Dr. George Wright, President
Dr. Corey Bradford, Senior Vice President for Business Affairs
Dr. Lauretta Byars, Vice President Student Affairs & Institutional Relations
Mr. Albert Gee, Assistant Vice President for Human Resources
Ms. Radhika Ayyar, Director of Employee Services
Ms. Renee Williams, Equal Opportunity Compliance Officer
Ms. Lydia Cavanaugh, Director of University Compliance
Fourth Quarter Report for Fiscal Year 2012

TARLETON STATE UNIVERSITY

Review of Financial Management Services

Catherine A. Smock, C.P.A.
Chief Auditor

Project #20120402
PROJECT SUMMARY

Overview

Overall, the controls established over the financial management services’ operations at Tarleton State University provide reasonable assurance that resources are used in compliance with applicable laws, policies, regulations and rules, except in the areas of study abroad fee management and account reconciliations. Significant improvements in the segregation of duties for study abroad fees and monitoring and review of reconciliations are needed. Opportunities for improvement were also noted in the areas of procurement cards and efficiencies in purchasing processes.

Summary of Significant Results

Study Abroad Fees

There is a lack of segregation of incompatible duties related to the collection and management of study abroad fees. Study abroad trip fees are collected, deposited, expensed, reconciled and monitored by faculty members leading the trips. Although credit card payments must be made at the Business Services’ cashiers, the majority of the $427,000 study abroad fees collected during the year were collected by the faculty members prior to deposit with Business Services. The segregation of incompatible duties is an important internal control to prevent and detect errors or misappropriation of funds.

Account Reconciliations

Account reconciliation processes require improvement to accurately identify outstanding items and clear them in a timely manner. The two payroll clearing account reconciliations reviewed did not clearly identify outstanding items. In addition, the February 2012 payroll account reconciliation had outstanding items from August 2011. Without adequate review and monitoring of reconciliations the risk of errors, discrepancies or misappropriations occurring and not being detected is increased.
Summary of Management's Response

With regards to study abroad fees, procedures have been revised to collect and deposit all study abroad program fees at the Business Service’s office. With respect to account reconciliations, existing procedures will continue to be followed and will be strengthened to emphasize timely resolution of outstanding items.

Scope

The review of financial management services at Tarleton State University focused on working funds and deposits, account reconciliations, receivables, procurement cards and expenditures. The audit period focused primarily on activities from March 1, 2011 to February 29, 2012. Fieldwork was conducted from April to June 2012.
OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. Study Abroad Fees

Observation

<table>
<thead>
<tr>
<th>Study abroad fee management lacks adequate segregation of duties.</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a lack of segregation of incompatible duties related to the collection and management of study abroad fees. Study abroad trip fees are collected, deposited, expensed, reconciled and monitored by the faculty member leading the trip. During the past year, $248,000 of $427,000 (58%) in study abroad fees was collected by the faculty member prior to deposit with Business Services. All credit card payments were made with the Business Services' cashiers. The University's study abroad processes encourage the faculty members to collect fees directly rather than instruct students to pay through Business Services. A&amp;M System Regulation 21.01.02 requires the segregation of the authorization, custody, record-keeping and reconciliation of funds to reduce the risk of undetected errors or misappropriations.</td>
</tr>
</tbody>
</table>

In addition to financial risks, study abroad programs have a variety of risks related to international travel and business relationships with foreign entities. It is prudent to perform periodic assessments of risks associated with study abroad programs and determine if necessary controls and risk mitigation procedures have been established and are working effectively.

Recommendation

- Review and enhance segregation of duties for the study abroad program and other similar types of programs at the University. Additionally, assure that other controls and procedures for study abroad programs are working as expected to mitigate risks associated with study abroad trips.

Management's Response

- Procedures have been revised to collect and deposit all study abroad program fees at the Business Service's office. In some cases where the study abroad trip involves students at a University off-campus site, program fees may be collected by authorized departmental personnel at the off-campus site.
2. Account Reconciliations

Observation

Account reconciliation and review processes require improvement to accurately identify and clear outstanding items in a timely manner. We noted several instances where outstanding items had not been cleared for several years. Additionally, the payroll clearing account reconciliation did not clearly identify outstanding items which resulted in items not being cleared timely. There were items from August 2011 that had not been cleared on the February 2012 payroll clearing account reconciliation.

The reconciliation review process did not identify these outstanding items and ensure that they were resolved. Attention was not given to ensure reconciling items, regardless of amount and type of account, were cleared in a timely manner. Without adequate review to identify weaknesses in the reconciliation process the risk is increased that funds will be lost due to undetected errors or misappropriations.

Recommendation

Establish reconciliation review and monitoring procedures that identify process weaknesses and ensure individuals preparing reconciliations are adequately trained.

Management's Response

Existing procedures have been strengthened to emphasize timely resolution of outstanding items. Payroll staff has received Texas A&M System training since the audit regarding the BPP/FAMIS interface.

3. Procurement Cards

Observation

Certain procurement card processes need improvement in order to maintain a strong control system over purchases with procurement cards. The following issues were noted:

- Twelve of 65 (18%) procurement card purchases reviewed were coded to incorrect object codes. Within the past year changes have been made to procurement card procedures requiring departmental personnel to post procurement card purchases to the appropriate expense object code, a task
3. Procurement Cards (cont.)

previously completed by Business Services. Posting purchases to correct expense codes is needed to provide management with accurate information.

- Nine of 65 (14%) procurement card purchases reviewed did not have detailed receipts included with the expense report. The University’s Procurement Card Guidelines require a detailed receipt with a clear description of each item purchased. Detailed receipts provide support for purchases decreasing the risk that inappropriate purchases will be allowed and not detected during the review process.

- Six of 65 (9%) procurement card purchases reviewed were made to purchase items that were prohibited from being purchased using a procurement card. The University’s Procurement Card Guidelines prohibits the purchase of software, advertising, and travel with the procurement card. Improved monitoring and review is needed to identify and prevent prohibited purchases.

With the implementation of Citibank procurement cards (new state contract vendor) in the last fiscal year, the University has updated procedures and increased accounting and reporting responsibilities of cardholders and reviewers at the department level. Although the procurement card guidelines have been updated, additional guidance and review is needed for expense coding, restricted item purchases, and receipts.

**Recommendation**

Provide adequate cardholder training and guidance for making and documenting procurement card purchases to ensure compliance with requirements and restrictions. Enhance review and monitoring procedures for timely detection and correction of errors and non-compliance.

**Management’s Response**

*Procurement card guidelines are being reviewed and clarified as suggested. New guidelines for procurement card purchases will be implemented and communicated to the campus. Online trainings will be placed in TrainTraq once the guideline adjustments are approved. This online training will be assigned to all new cardholders before the card is released for use, all administrative support staff responsible for reconciliation and allocation of the expense reports, and all employees that are the responsible person on an expense account. The training will be assigned and required on a yearly basis. The Office of Business Services will continue*
3. Procurement Cards (cont.)

| 100% review of the expense reports and support documentation. Implementation will be complete by February 2013. |

4. Efficiencies in Purchasing Processes

Observation

Purchasing processes do not use available electronic routing.

The University does not use the Financial Accounting and Management Information System’s (FAMIS) electronic routing capabilities for the review and approval process of purchase requests (requisitions) and vouchers. Purchase request forms and voucher preparation forms are manually routed for approval signatures. Using the electronic routing process will provide increased purchase and payment efficiency for the University’s departmental and Business Services’ personnel.

Recommendation

Implement electronic routing and approval of purchase requests and vouchers. Update purchasing procedures accordingly.

Management’s Response

Purchasing and Accounts Payable personnel have already visited with other System members to collect information regarding their e-routing and approval procedures. Weekly meetings have been set up between Purchasing and Accounts Payable who are working to implement e-routing and approval capabilities. It is estimated that the project will take approximately one year to complete, including a pilot program, personnel training, and reviewing and amending current policies and procedures. Target date for implementation will be September 1, 2013.
BASIS OF REVIEW

Objective

The overall objective of this audit was to review the financial and management controls over the University’s financial management services’ operations to determine if resources are used in compliance with applicable laws, policies, regulations and rules.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System; Tarleton State University Rules and procedures; and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance 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.

Background

Tarleton State University has campuses in Stephenville, Fort Worth, Waco, and Midlothian. Financial management services at Tarleton include Business Services, Purchasing, Central Receiving, the HUB Program, Contract Administration, Budgets, and Payroll.
AUDIT TEAM INFORMATION

| Charlie Hrncir, CPA, Director |
| Sandy Ordner, CPA, Audit Manager |
| Joseph Mitchell |
| Tracey Sadler, CIA |
| Michelle Whitney |

DISTRIBUTION LIST

| Dr. F. Dominic Dottavio, President |
| Mr. Tye Minckler, Vice President for Finance and Administration |
| Dr. Cynthia Carter, Assistant Vice President for Finance and Administration |
| Mr. Mike Tate, Assistant Vice President for Business Services and Controller |
Fourth Quarter Report for Fiscal Year 2012

TEXAS A&M UNIVERSITY

Review of Procurement Services

Catherine A. Smock, C.P.A.
Chief Auditor

Project #20120211
PROJECT SUMMARY

Processes and controls for procuring goods and services through the Department of Strategic Sourcing and Procurement Services (Procurement Services) at Texas A&M University provide reasonable assurance that purchases are made efficiently and effectively and in compliance with laws, policies, regulations and rules. Procedures are in place for reviewing and monitoring purchases for compliance with purchasing requirements including sole source purchase justifications. Additional purchasing efficiencies could be gained by increasing the use of the University’s recently implemented AggieBuy system.

Implementation of the AggieBuy system has automated much of the University’s procurement process and generates cost savings by leveraging the volume of University purchases to negotiate a lower contract rate with vendors. The number and dollar amount of purchase orders processed per month using AggieBuy has increased from 2,309 purchase orders totaling $3.1 million in January 2011 to 6,727 totaling $10.4 million in January 2012. In fiscal year 2011, approximately 50% ($140 million of $275 million) of the goods and services purchased by the University were processed through Procurement Services of which $80 million was purchased using the AggieBuy system.

OBSERVATION, RECOMMENDATION, AND RESPONSE

AggieBuy System

Observation

Further implementation of the AggieBuy system will allow for additional efficiencies in the procurement process.

Increased economy and efficiency within the University’s procurement process could be achieved by further implementing and increasing the usage of the AggieBuy system. Increasing the number of contracts available within AggieBuy would provide more options for buyers and consequently increase the number of University departments using the system. This would further leverage buying power and result in additional savings for departments. Additionally, Procurement Services would have
more detailed purchasing information to use to negotiate better contract prices with vendors.

Procurement Services currently has 530 active vendor contracts of which only 140 (26%) have been entered into the AggieBuy system. Due to limited resources the primary focus has been to get the AggieBuy system up and running and train departments. The next phase will focus on increasing the number of contracts in AggieBuy and increasing department use of the system. The goal is to have all of the contracts entered into AggieBuy by the end of fiscal year 2012.

Although the use of AggieBuy has grown significantly since its inception in February 2010, certain University departments have not yet begun using this system due to a variety of reasons as follows:

- Lack of time and resources within Procurement Services for converting additional University departments to this system. Resources needed to implement the new travel system, Concur, impacted implementation of the AggieBuy system.

- Hesitation and resistance by some University departments to change from current procurement processes.

- The inability for some University departments to make purchases through AggieBuy with funds from other System members who are not currently licensed to use AggieBuy (e.g. AgriLife and TEES).

In addition, some departments feel the process of making a purchase using AggieBuy takes too long and has too many approval steps compared to making a purchase with a procurement card. According to discussions with Procurement Services staff, the AggieBuy system has the ability to set up approval processes similar to procurement card purchases. In addition, departmental approvers could be provided a monthly report generated out of the A&M System Business Objects Data Warehouse, which captures AggieBuy transactions for

---

**AggieBuy**

The AggieBuy system was developed and implemented to streamline processes within the procurement and accounts payable functions and leverage the volume of University purchases to negotiate lower contract prices with vendors. It is an Internet-based marketplace where faculty and staff can go to purchase everything from office and scientific supplies to computers and furniture. The AggieBuy system provides an easy to use one-stop "shopping-cart" to make purchases and is integrated with the University’s Financial Accounting and Management Information System (FAMIS).
subsequent review similar to current procurement card monthly review processes.

A formal analysis of potential cost savings from the use of AggieBuy has not been performed; however, SciQuest, the vendor for the AggieBuy system, indicates that their on-demand, e-procurement solutions can drive savings of five cents to twenty cents per dollar of purchases based on recent industry data. Thus, further increasing the use of AggieBuy could potentially result in a significant amount of cost savings given the magnitude of purchases made annually by the University. These savings would help Procurement Services acquire quality goods and services at the best value for the University community and be recognized for innovative approaches to sourcing, developing strategic alliances, and utilizing a progressive model of best practices.

**Recommendation**

Reassess current resources needed to fully implement the AggieBuy system given the potential cost savings generated from the use of this system. Address the specific barriers identified above, as feasible, to further increase the usage of the system. In addition, continue to work with other System members to allow AggieBuy to process University purchases partially funded by these System members. Consider developing a formal process to document and track savings from purchases made through the AggieBuy system.

**Management’s Response**

To fully implement the AggieBuy system, all departments will be converted to AggieBuy and additional vendor contracts will be available for use by October 31, 2012. With the roll out of the travel system to the campus community complete, Procurement Services in coordination with training and security resources will be better positioned to devote efforts to set up and train all remaining Part 02 departments on AggieBuy. The majority of vendor contracts will be available in AggieBuy as Procurement Services’ goal is to have 90% of the currently existing contracts entered by October 2012. Efforts will be ongoing to add any remaining and new contracts.

The increased number of vendor contracts available will allow for greater usage of the AggieBuy system. Additionally, Procurement Services will establish an October 31, 2012 deadline for accepting FAMIS-generated requisitions. Requisitions submitted after the established date will be returned to the department with a request to resubmit within AggieBuy.
Procurement Services will continue to work with other System members that don’t utilize AggieBuy to determine efficient ways to process University purchases that are partially funded by the other member. The current option is a “work-around” requiring the end user to work in two separate systems. Other alternatives are being explored.

Procurement Services will continue to consider possible approaches to formally track savings through the use of the AggieBuy system.

BASIS OF REVIEW

Objective and Scope

The review of procurement services at Texas A&M University focused on compliance with purchasing requirements for selected purchases made through the University’s Procurement Services department, including sole source purchases. This did not include purchases less than $5,000 or certain other exempt purchases made by departments that are not processed through Procurement Services. In addition, an analysis of purchasing data was performed to identify unusual or potentially fraudulent purchases. The use of the AggieBuy system was also reviewed for economy and efficiency within the purchasing process. The audit period focused primarily on activities from September 2010 to January 2012. Fieldwork was conducted from March to May 2012.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System, Texas A&M University Rules and procedures, and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance 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.
Background

The Texas A&M University Department of Strategic Sourcing & Procurement Services oversees University purchases greater than $5,000. Procurement Services has delegated to departments the authority to make purchases of goods, commodities, and services of $5,000 or less. In addition, some departments within the University, such as Dining Services and Facilities Services, have been delegated the authority to purchase some items over $5,000 without these purchases being processed through Procurement Services. Procurement Services has negotiated master orders with many specific vendors that all departments may use to take advantage of the University’s purchasing power. Further leveraging of this purchasing power is currently underway with the implementation of the AggieBuy system which began in 2010. In fiscal year 2011, approximately 50% ($140 million of $275 million) of the goods and services purchased by the University were processed through Procurement Services of which $80 million was purchased using the AggieBuy system.

AUDIT TEAM INFORMATION

Charlie Hrncir, CPA, Director
Brian Billington, CPA, Audit Manager
Danielle Carlson, CPA
Jacob Hroch

DISTRIBUTION LIST

Dr. R. Bowen Loftin, President
Dr. Karan L. Watson, Provost and Executive Vice President for Academic Affairs
Dr. Rodney P. McClendon, Vice President for Administration
Ms. B.J. Crain, Vice President for Finance and Chief Financial Officer
Mr. Rex Janne, Executive Director Procurement Services
Mr. Charley Clark, Associate Vice President for University Risk and Compliance
TEXAS A&M UNIVERSITY – CORPUS CHRISTI

Review of the University’s NCAA Athletic Rules Compliance Program

Catherine A. Smock, C.P.A.
Chief Auditor

Fourth Quarter Report for Fiscal Year 2012
PROJECT SUMMARY

Overall, the controls established over the National Collegiate Athletic Association (NCAA) athletic rules compliance program at Texas A&M University - Corpus Christi are effective in providing reasonable assurance that the University is operating in compliance with NCAA regulations related to the areas reviewed. No issues of non-compliance were noted in the performance of this review. Although written procedures and other rules compliance documentation have been prepared, additional documentation in some areas would further ensure processes are performed as intended. Increased documentation would also help the University demonstrate its due diligence in complying with NCAA bylaws in these areas.

OBSERVATION, RECOMMENDATION, AND RESPONSE

NCAA Rules Compliance Documentation

Observation

Written procedures and job descriptions need to be updated in regard to certain NCAA compliance requirements in the following areas:

- The current process for compiling and reporting the required academic progress reports within the NCAA's designated time frame has not been documented in the Athletic Department's written internal procedures.
- NCAA-rules based responsibilities including administration of complimentary tickets are not addressed within the job description for the Athletic Ticket Director.
- NCAA Bylaw 16.2.2.5, Professional Sports Tickets related to complimentary ticket benefits is not addressed within the University’s Athletics Compliance Manual.

- The Athletics Compliance Manual refers to situations in which rules interpretations need to be requested from the Southland Conference and the NCAA Membership Services but does not indicate how the responses received should be documented.

- The Faculty Athletic Representative’s (FAR) involvement in the University’s NCAA rules education program is not documented including the amount of rules education to be received by this individual.

NCAA Bylaw 2.1, The Principle of Institutional Control and Responsibility indicates it is the responsibility of each member institution to control its intercollegiate athletics program in compliance with the rules and regulations of the Association. This includes responsibility for the actions of its staff members and for the actions of any other individual or organization engaged in activities promoting the athletics interests of the institution. Increased documentation of rules compliance processes would better ensure the processes are performed as intended and demonstrate the University’s institutional control over its NCAA rules compliance program.

**Recommendation**

Develop written internal procedures for compiling and reporting the required academic progress reports within the NCAA’s designated time frame.

Include all relevant NCAA-rules based responsibilities including complimentary tickets within the job description for the Athletic Ticket Director position.

Update the University’s Athletics Compliance Manual to:

- Address NCAA requirements related to complimentary admissions in NCAA Bylaw 16.2.2.5, Professional Sports Tickets.

- Specify documentation requirements for responses received to rules interpretations requested from the Southland Conference and the NCAA Membership Services.

- Include the involvement of the FAR in the University’s rules education program including the amount of education received by this individual.
Review and update all athletic manuals regularly (i.e., annually) to ensure all rules compliance information is accurate and complete.

Management’s Response

Texas A&M University-Corpus Christi acknowledges the aforementioned deficiencies in the Compliance Policies and Procedures Manual and will take action to resolve each of these deficiencies by September 28, 2012.

BASIS OF REVIEW

Objective and Scope

The objective of the audit was to review and assess the adequacy of the University's NCAA athletic rules compliance program for selected compliance areas. This review focused on initial eligibility, academic program performance, rules education, and extra benefits relating to complimentary admissions. This audit period focused primarily on activities from September 1, 2011 to May 31, 2012. Fieldwork was conducted from June to July 2012.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System; the 2011-2012 National Collegiate Athletic Association’s Division I Manual; the University’s Athletics Compliance Manual; and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance 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.
Background

Texas A&M University – Corpus Christi is a member of the National Collegiate Athletic Association and competes at the Division I level. During the 2011-2012 academic year, the University had approximately 250 student-athletes participating in 15 intercollegiate sports as follows:

<table>
<thead>
<tr>
<th>Men’s</th>
<th>Women’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basketball</td>
<td>Volleyball</td>
</tr>
<tr>
<td>Baseball</td>
<td>Basketball</td>
</tr>
<tr>
<td>Tennis</td>
<td>Softball</td>
</tr>
<tr>
<td>Indoor Track</td>
<td>Tennis</td>
</tr>
<tr>
<td>Outdoor Track</td>
<td>Soccer</td>
</tr>
<tr>
<td>Cross Country</td>
<td>Golf</td>
</tr>
<tr>
<td></td>
<td>Indoor Track</td>
</tr>
<tr>
<td></td>
<td>Outdoor Track</td>
</tr>
<tr>
<td></td>
<td>Cross Country</td>
</tr>
</tbody>
</table>

AUDIT TEAM INFORMATION

Dick Dinan, CPA, Director
Brian Billington, CPA, Audit Manager
Danielle Carlson, CPA
Mark Heslip

DISTRIBUTION LIST

Dr. Flavius Killebrew, President
Dr. Chris Markwood, Provost and Vice President for Academic Affairs
Ms. Kathryn Funk-Baxter, Executive Vice President for Finance and Administration
Mr. Scott Lazenby, Director of Athletics
Mr. Jason Hall, Associate Athletic Director for Compliance and Administration
Ms. Becky Torres, Comptroller
The Texas A&M University System Internal Audit Department

Fourth Quarter Report for Fiscal Year 2012

TEXAS A&M AGRILIFE RESEARCH

Review of the Norman Hackerman Advanced Research Program Awards

Catherine A. Smock, C.P.A.
Chief Auditor

Project #20120602
PROJECT SUMMARY

Overall, Texas A&M AgriLife Research has controls in place to ensure compliance with the Texas Higher Education Coordinating Board's (THECB) grant conditions for its 2009 Norman Hackerman Advanced Research Program (NHARP) grants. Expenditures for the grants were allowable, and most other applicable THECB requirements were met. Improvement is needed in the acknowledgement of THECB support in any publication of any material based on the NHARP grant. The Agency received the following grants:

- Project Number 000517-0042-2009: Development of novel delivery systems that transport protein-based drugs into live cells, award amount $198,720.

- Project Number 000517-0002-2009: Molecular Mechanism of a Performance-Enhancer of Plant Virus Gene Vectors, award amount $200,000.

- Project Number 010366-0025-2009: Developing predictive toxicity models using nanomaterial structure-activity relationships, award amount $71,660.

Texas A&M AgriLife Research implemented the recommendations in our prior report, Review of NHARP Awards, which was issued in December 2011. Management has improved the timeliness of reporting and the Agency’s compliance with A&M System requirements regarding the Ethics in Research and Scholarship rule.
OBSERVATION, RECOMMENDATION, AND RESPONSE

Acknowledgement of THECB Support

Observation

Current processes over the NHARP grants do not ensure inclusion of the acknowledgement of THECB support in any publication of any material based on the NHARP grant. Seven of twelve (58%) publications reviewed in conjunction with Project Numbers 000517-0002-2009 and 010366-0025-2009 did not cite the required acknowledgement of the THECB support specified in the grant conditions. Management and principal investigators did not effectively review material prior to publication to ensure compliance with this grant condition. This suggests that the current monitoring process requires improvement in order to ensure these types of oversights are identified and corrected prior to publication.

The THECB’s grant conditions require acknowledgement of THECB support in any publication of any material based on the project results.

Recommendation

Develop and implement a monitoring process by which material submitted for publication is reviewed prior to publication to ensure the acknowledgement of THECB support is included in accordance with grant conditions.

Management’s Response

All principle investigators receiving ARP Awards are being reminded of their responsibility to include an acknowledgement of THECB support in the publication of any material based on an NHARP grant. Examples of appropriate wording are being provided. In addition, principle investigators will be reminded of this requirement if they receive a “no cost extension” to their existing ARP award. This process is currently in place. Additionally, we will notify the principle investigator’s immediate supervisor, i.e. Department Head, to monitor publications for the appropriate acknowledgement of THECB support. The Agency Director will review adherence to this requirement among ARP recipients by May 31, 2013.
BASIS OF REVIEW

Objective and Scope

The objective of this audit was to test the Agency’s compliance with the THECB’s regulations associated with the NHARP grants. Transactions related to the grants were reviewed for the period of May 2010 to May 2012. Fieldwork was conducted from July 2012 to August 2012. The audit team used the THECB’s 2009 Grant Conditions for the NHARP as criteria to determine if:

- Expenditures, including salaries, were allowable and related to grant activities.
- Budget transfers were appropriately approved.
- Required reports were filed timely.
- All other requirements set forth in the grant conditions were met.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System, the Texas Higher Education Coordinating Board’s 2009 Grant Conditions for the Norman Hackerman Advanced Research Program, and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance 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.

Background

The Norman Hackerman Advanced Research Program was created by the Texas Legislature in 1987 as a competitive, peer-reviewed grant program to fund scientific and engineering research projects of faculty members at Texas higher education institutions.
institutions. Originally titled the Advanced Research Program, the Program was renamed in 2007 to honor the distinguished researcher and chairman of the Texas Higher Education Coordinating Board’s Advisory Committee on Research Programs (ACORP), Dr. Norman Hackerman. The program is administered by the Texas Higher Education Coordinating Board.

AUDIT TEAM INFORMATION

| Charlie Hrncir, CPA, Director |
| Nora Miles, CPA, Audit Manager |
| Lori Ellison |

DISTRIBUTION LIST

| Dr. Mark Hussey, Vice Chancellor and Dean of Agriculture and Life Sciences |
| Dr. William A. Dugas, Associate Vice Chancellor and Associate Dean of Agriculture and Life Sciences |
| Dr. Craig Nessler, Agency Director |
| Mr. Michael McCasland, Assistant Director for Fiscal Services |
| Ms. Debbie Cummings, Senior Financial Analyst/Research |
TEXAS A&M ENGINEERING
EXPERIMENT STATION

Review of the Norman Hackerman
Advanced Research Program Awards

Catherine A. Smock, C.P.A.
Chief Auditor
PROJECT SUMMARY

Overall, the Texas A&M Engineering Experiment Station has controls in place to ensure compliance with the Texas Higher Education Coordinating Board’s (THECB) grant conditions for its 2009 Norman Hackerman Advanced Research Program (NHARP) grants. Expenditures for the grants were allowable, and most other applicable THECB requirements were met. Improvement is needed in the acknowledgement of THECB support in any publication of any material based on the NHARP grant. The Agency received the following grants:

- Project Number 000512-0076-2009: Developing an Efficient Column-Free, Protease-Free Protein Purification Technology, award amount $197,220.

- Project Number 000512-0097-2009: Motion Planning Based Techniques for Modeling and Simulating Molecular Motions, award amount $150,000.

- Project Number 000512-0061-2009: An Active Approach for Botnet Detection, award amount $150,000.


- Project Number 000512-0184-2009: From Human Walking to Bipedal Robotic Walking to Prosthetic Design, award amount $196,691.

The Texas A&M Engineering Experiment Station implemented the recommendation in our prior report, Review of NHARP Awards, which was issued in December 2011. Management has improved the timeliness of reporting.
OBSERVATION, RECOMMENDATION, AND RESPONSE

Acknowledgement of THECB Support

Observation

Current processes over the Agency NHARP grants do not ensure inclusion of the acknowledgement of THECB support in any publication of any material based on the NHARP grant. Four of 32 (13%) publications reviewed in conjunction with Project Number 000512-0061-2009 did not cite the required acknowledgement of the THECB support specified in the grant conditions. Management and the principal investigator did not effectively review material prior to publication to ensure compliance with this grant condition. This suggests that the current monitoring process needs improvement in order to identify these types of oversights prior to publication.

The THECB’s grant conditions require acknowledgement of THECB support in any publication of any material based on the project results.

Recommendation

Develop and implement a monitoring process by which material submitted for publication is reviewed prior to publication to ensure the acknowledgement of THECB support is included in accordance with grant conditions.

Management’s Response

TEES will review the 2011 grant conditions with awarded principal investigators, emphasizing the importance that publications include acknowledgement to THECB. Estimated implementation date is November 30, 2012.

Additionally, publication material will be reviewed semi-annually for THECB acknowledgement.
BASIS OF REVIEW

Objective and Scope

The objective of this audit was to test the Agency’s compliance with the THECB’s regulations associated with the NHARP grants. Transactions related to the grants were reviewed for the period of May 2010 to May 2012. Fieldwork was conducted from July 2012 to August 2012. The audit team used the THECB’s 2009 Grant Conditions for the NHARP as criteria to determine if:

- Expenditures, including salaries, were allowable and related to grant activities.
- Budget transfers were appropriately approved.
- Required reports were filed timely.
- All other requirements set forth in the grant conditions were met.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System, the Texas Higher Education Coordinating Board’s 2009 Grant Conditions for the Norman Hackerman Advanced Research Program, and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance 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.

Background

The Norman Hackerman Advanced Research Program was created by the Texas Legislature in 1987 as a competitive, peer-reviewed grant program to fund scientific and engineering research projects of faculty members at Texas higher education...
institutions. Originally titled the Advanced Research Program, the Program was renamed in 2007 to honor the distinguished researcher and chairman of the Texas Higher Education Coordinating Board’s Advisory Committee on Research Programs (ACORP), Dr. Norman Hackerman. The program is administered by the Texas Higher Education Coordinating Board.

AUDIT TEAM INFORMATION

Charlie Hrncir, CPA, Director
Nora Miles, CPA, Audit Manager
Lori Ellison

DISTRIBUTION LIST

Dr. M. Katherine Banks, Director, Vice Chancellor and Dean of Engineering
Dr. Dimitris Lagoudas, Deputy Director
Dr. N. K. Anand, Associate Agency Director
Ms. Carol Huff, Assistant Agency Director and Chief Financial Officer
Ms. Lisa Akin, Director for Administrative Services
Ms. Cindy Wall, Assistant Agency Director for Operations
The Texas A&M University System Internal Audit Department

Fourth Quarter Report for Fiscal Year 2012

TEXAS A&M UNIVERSITY

Review of the Norman Hackerman Advanced Research Program Awards

Catherine A. Smock, C.P.A.
Chief Auditor

Project #20120221
PROJECT SUMMARY

Overall, Texas A&M University has controls in place to ensure compliance with the Texas Higher Education Coordinating Board’s (THECB) grant conditions for its 2009 Norman Hackerman Advanced Research Program (NHARP) grants. Expenditures for the grants were allowable, and most other applicable THECB requirements were met. Improvement is needed in the timeliness in which reports are submitted. The University received the following grants:

- Project Number 010366-0149-2009: Mathematical Study of Wind Power Generation, award amount $76,600.

- Project Number 010366-0008-2009: Improved Assessment of Texas Air Quality: Aerosol Composition by Raman Microspectroscopy, award amount $148,125.

- Project Number 010366-0040-2009: Patterning Nanoscale Arrays by Evaporative Templating, award amount $196,460.

- Project Number 010366-0137-2009: Atomic Free Radicals in Nanoclusters Immersed in Superfluid Helium, award amount $120,000.


- Project Number 010366-0126-2009: Proxy Development in Deep-Sea Corals from the Gulf of Mexico and the Southeastern United States, award amount $128,060.

- Project Number 010366-0025-2009: Developing predictive toxicity models using nanomaterial structure-activity relationships, award amount $127,060.


- Project Number 010366-0138-2009: Corals at the Flower Garden Banks as monitors of climatic and environmental change, award amount $126,508.
Current processes do not ensure timeliness of progress reports.

Current processes over the NHARP grants do not ensure progress reports are submitted in a timely manner. Four of twenty-four (17%) progress reports reviewed in conjunction with Project Numbers 010366-0139-2009, 010366-0138-2009 and 010366-0097-2009 had not been filed by the reporting deadline. The untimely reporting was 6 and 19 days past due, with two reports never being submitted. THECB’s grant conditions require progress reports to be submitted by March 1 or the next business day if the due date falls on a weekend. Managers and principal investigators did not effectively monitor for compliance with the reporting timeline.

Recommendation

Develop and implement a monitoring process by which progress reports are completed and submitted within the prescribed THECB deadline in accordance with grant conditions.

Management’s Response

We will establish an internal procedure to distribute report due notifications to principal investigators at 90-60-30 days prior to the reporting due dates. Department heads of the principal investigators will be copied on these notifications. It should be noted that THECB
Automated reminders of project deliverables is under development in the Maestro research administration system. Once this module is in place, principal investigators should receive scheduled email reminders regarding project reporting dates.

BASIS OF REVIEW

Objective and Scope

The objective of this audit was to test the University’s compliance with the THECB’s regulations associated with the NHARP grants. Transactions related to the grants were reviewed for the period of May 2010 to May 2012. Fieldwork was conducted from July to August 2012. The audit team used the THECB’s 2009 Grant Conditions for the NHARP as criteria to determine if:

- Expenditures, including salaries, were allowable and related to grant activities.
- Budget transfers were appropriately approved.
- Required reports were filed timely.
- All other requirements set forth in the grant conditions were met.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System, the Texas Higher Education Coordinating Board’s 2009 Grant Conditions for the Norman Hackerman Advanced Research Program, and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance 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.

Background

The Norman Hackerman Advanced Research Program was created by the Texas Legislature in 1987 as a competitive, peer-reviewed grant program to fund scientific and engineering research projects of faculty members at Texas higher education institutions. Originally titled the Advanced Research Program, the Program was renamed in 2007 to honor the distinguished researcher and chairman of the Texas Higher Education Coordinating Board’s Advisory Committee on Research Programs (ACORP), Dr. Norman Hackerman. The program is administered by the Texas Higher Education Coordinating Board.

AUDIT TEAM INFORMATION

Charlie Hrnčir, CPA, Director
Nora Miles, CPA, Audit Manager
Lori Ellison

DISTRIBUTION LIST

Dr. R. Bowen Loftin, President
Dr. Karan L. Watson, Provost and Executive Vice President for Academic Affairs
Dr. Rodney P. McClendon, Vice President for Administration
Ms. B. J. Crain, Vice President for Finance and Chief Financial Officer
Ms. Carol Cantrell, Senior Associate Vice President for Research Administration
Mr. Charley Clark, Associate Vice President for University Risk and Compliance
Ms. Janet Killion, Director of Research Reporting
Fourth Quarter Report for Fiscal Year 2012

THE TEXAS A&M UNIVERSITY
SYSTEM OFFICES

Review of Bond Compliance

Catherine A. Smock, C.P.A.
Chief Auditor

Project #20120115
PROJECT SUMMARY

Bond information was accurately reported in the Texas A&M University System’s 2011 Annual Financial Report. Outstanding bonds payable at August 31, 2011 totaled approximately $2.2 billion. Additionally, the A&M System was in compliance with significant requirements outlined in its bond covenants and the financial statement notes related to bonds complied with the State of Texas Comptroller’s reporting requirements.

BASIS OF REVIEW

Objective and Scope

The overall objective was to determine if bond information was accurately reported in the fiscal year 2011 Annual Financial Report and to determine compliance with bond covenants, laws, policies, regulations and rules. The review of bonds at the Texas A&M University System Offices focused on evaluating the presentation of bond schedules and bond-related notes presented in the annual financial report. In addition, procedures were performed to gain assurance that the A&M System was in compliance with significant bond covenants. Fieldwork was conducted from June to July, 2012.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System, the Annual Financial Report Reporting Requirements from the State of Texas Comptroller’s Office, and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance 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.

Background

Bonds are used by the Texas A&M University System to provide long-term financing for new facilities or as short-term financing for equipment or interim financing of construction projects. The A&M System issues two types of bonds to investors, Permanent University Fund bonds, which are financed with revenue from the Available University Fund, and Revenue Financing System bonds, which are financed through allowable pledge sources.

AUDIT TEAM INFORMATION

Charlie Hrncir, CPA, Director
Kim Pekar, CPA, Audit Manager
Katina Greenlee, CPA

DISTRIBUTION LIST

Mr. John Sharp, Chancellor
Mr. Greg Anderson, Chief Financial Officer and Treasurer
Mr. Joseph Duron, Executive Director, Budgets and Accounting
Ms. Maria Robinson, Director of Treasury Services
PRAIRIE VIEW A&M UNIVERSITY

Review of the University’s NCAA Athletic Rules Compliance Program

Catherine A. Smock, C.P.A.
Chief Auditor
PROJECT SUMMARY

Overall, the controls established over the National Collegiate Athletic Association (NCAA) rules compliance program at Prairie View A&M University are effective in providing reasonable assurance that the University is operating in compliance with NCAA regulations related to the areas of eligibility certification, playing and practice seasons and the academic performance, which were included in this review. The Athletics Compliance Office continues to provide resources to better oversee and monitor athletic activities. In addition, the Athletics Compliance Office has a direct reporting line to the University president, providing an appropriate level of independence to conduct their work in an objective manner.

BASIS OF REVIEW

Objective and Scope

The objective of the audit was to review and assess the adequacy of the University’s NCAA athletic rules compliance program for selected compliance areas. This review focused on eligibility certification, playing and practice seasons, and the academic performance program. Eligibility certification includes general, initial, continuing, and transfer eligibility. This audit period focused primarily on activities from June 1, 2011 to May 31, 2012. Fieldwork was conducted from April to May 2012.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System; the 2011-2012 National Collegiate Athletic Association’s Division I Manual; the University’s Athletic Compliance Manual; and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”
Additionally, we conducted this performance 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.

Background

Prairie View A&M University is a member of the National Collegiate Athletic Association and competes at the Division I level. During the 2011-2012 academic year, the University had approximately 330 student-athletes participating in 18 intercollegiate sports as follows:

<table>
<thead>
<tr>
<th>Men’s</th>
<th>Women’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseball</td>
<td>Basketball</td>
</tr>
<tr>
<td>Basketball</td>
<td>Bowling</td>
</tr>
<tr>
<td>Football</td>
<td>Golf</td>
</tr>
<tr>
<td>Golf</td>
<td>Softball</td>
</tr>
<tr>
<td>Tennis</td>
<td>Soccer</td>
</tr>
<tr>
<td>Cross Country</td>
<td>Tennis</td>
</tr>
<tr>
<td>Indoor Track</td>
<td>Cross Country</td>
</tr>
<tr>
<td>Outdoor Track</td>
<td>Indoor Track</td>
</tr>
<tr>
<td></td>
<td>Outdoor Track</td>
</tr>
<tr>
<td></td>
<td>Volleyball</td>
</tr>
</tbody>
</table>

The University has an Athletics Compliance Office which is staffed with four full-time individuals and reports directly to the University president. The mission of this office is to provide a comprehensive compliance and monitoring program that promotes knowledge of and adherence to NCAA, Southwestern Athletic Conference, and institutional rules and regulations among members of the Athletics department, University personnel, and members of the athletics community, thereby reducing infractions.
AUDIT TEAM INFORMATION

Dick Dinan, CPA, Director
Nora Miles, CPA, Audit Manager
Chris Powell
Darwin Rydl, CPA

DISTRIBUTION LIST

Dr. George Wright, President
Dr. Corey Bradford, Senior Vice President for Business Affairs
Mr. Fred Washington, Athletic Director, Vice President for Administration and Auxiliary Services
Mr. Ashley Robinson, Assistant Vice President of Athletic Compliance and Academic Advising
Ms. Lydia Cavanaugh, Director of University Compliance