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TEXAS A&M UNIVERSITY-CORPUS CHRISTI

PROGRAMS FOR MINORS

March 13, 2024

Charlie Hrncir, CPA
Chief Auditor
Overall Conclusion

Internal controls over programs for minors at Texas A&M University–Corpus Christi are operating as intended and in compliance with applicable laws and policies. An opportunity for improvement was noted in the area of third-party contracts.

Texas A&M University–Corpus Christi held 50 program sessions with a total of 2,119 participants and hosted two third-party programs with a total of 258 participants in the fiscal year 2023.

Summary Table

<table>
<thead>
<tr>
<th>Audit Areas</th>
<th>Controls Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third-party Contracts</td>
<td>Needs Some Improvement</td>
</tr>
<tr>
<td>Applications and Approvals</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Background Checks</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Child Protection Training</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Insurance</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Participant Forms</td>
<td>Effective – No Observations</td>
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<tr>
<td>Participant Payments</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Program Supervision</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>University Rule</td>
<td>Effective – No Observations</td>
</tr>
</tbody>
</table>

Management concurred with the audit recommendation and indicated that implementation will occur by the end of September 2024.
Detailed Results

Third-party Contracts

The university is not using a contract specific to hosting third-party programs for minors. Facility Use Agreements are utilized for third-party programs for minors. These agreements do not include requirements such as criminal and sex offender background checks, child protection training for staff and volunteers, participant liability waivers, and counselor-to-minor ratios. While the university performs the background checks, assigns and tracks the training, and obtains program waivers, these requirements are not formalized in writing which increases the risk of noncompliance with state, system, and university guidance. The university cannot hold third-party sponsors accountable for terms and obligations that are not addressed in the program contract.

Recommendation

Utilize the third-party contract template included in System Regulation 24.01.06 Programs for Minors. Modify the contract template to reflect university processes as needed.

Management’s Response

Texas A&M University-Corpus Christi will utilize the third-party contract template in System Regulation 24.01.06, Programs for Minors. The implementation process will be completed by September 1, 2024.
Basis of Audit

Objective, Scope, & Methodology

The overall objective of this audit was to determine if internal controls over programs for minors are operating as intended and in compliance with applicable laws and policies.

The audit focused on the following areas:

- Third-party contracts
- Applications and approvals
- Background checks
- Child protection training
- Insurance
- Participant forms
- Participant payments
- Program supervision
- University rule

The audit period was primarily September 1, 2022 to August 31, 2023. Fieldwork was conducted from November 2023 to January 2024.

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

<table>
<thead>
<tr>
<th>Audit Objective</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Third-party Contracts</strong></td>
<td>Auditors selected the population of two third-party programs. Contracts for third-party programs were obtained and reviewed to ensure requirements were addressed and proper approval obtained.</td>
</tr>
<tr>
<td>Determine whether third-party contracts were in place and addressed A&amp;M System and university requirements regarding programs for minors.</td>
<td></td>
</tr>
<tr>
<td><strong>Applications and Approvals</strong></td>
<td>Auditors used professional judgment to select a nonstatistical sample of twelve programs based upon magnitude and risk. Program applications and supporting documentation were</td>
</tr>
<tr>
<td>Audit Objective</td>
<td>Methodology</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>approved in accordance with A&amp;M System and university requirements.</td>
<td>obtained and reviewed for proper completion and approval.</td>
</tr>
<tr>
<td><strong>Background Checks</strong></td>
<td>Auditors used professional judgment to select a nonstatistical sample of twelve programs based upon magnitude and risk. Documentation for a non-statistical sample of five selected staff members within each program was obtained and reviewed to ensure criminal conviction and sex offender background checks were completed within the previous 365 days before the start of the program.</td>
</tr>
<tr>
<td>Determine whether background checks were performed for program staff in accordance with A&amp;M System and university requirements.</td>
<td></td>
</tr>
<tr>
<td><strong>Child Protection Training</strong></td>
<td>Auditors used professional judgment to select a nonstatistical sample of twelve programs based upon magnitude and risk. Training records for all staff members within each program were obtained and reviewed to ensure training was successfully completed prior to but not more than two years before the start of the program.</td>
</tr>
<tr>
<td>Determine whether program staff completed required training in accordance with A&amp;M System and university requirements.</td>
<td></td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
<td>Auditors used professional judgment to select a nonstatistical sample of twelve programs based upon magnitude and risk. Program insurance certificates were obtained and reviewed to ensure insurance was properly obtained as required.</td>
</tr>
<tr>
<td>Determine whether insurance was properly obtained for programs in accordance with A&amp;M System and university requirements.</td>
<td></td>
</tr>
<tr>
<td><strong>Participant Forms</strong></td>
<td>Auditors used professional judgment to select a nonstatistical sample of twelve programs based upon magnitude and risk. Program forms for selected participants within each program were obtained and reviewed to ensure the forms were properly completed prior to the start of the program.</td>
</tr>
<tr>
<td>Determine whether program participants completed required program forms in accordance with A&amp;M System and university requirements.</td>
<td></td>
</tr>
</tbody>
</table>
**Audit Objective**

<table>
<thead>
<tr>
<th>Participant Payments</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determine whether program participant payments were accurate and complete.</td>
<td>Auditors used professional judgment to select a nonstatistical sample of twelve programs based upon magnitude and risk. Participant rosters and payment documentation were obtained and reviewed to ensure participant payments were accurate and complete.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program Supervision</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determine whether program supervision was in accordance with university requirements.</td>
<td>Auditors used professional judgment to select a nonstatistical sample of twelve programs based upon magnitude and risk. Program rosters were obtained and reviewed to ensure the minor-to-counselor ratio was in compliance with the university's published ratio. For programs sampled that had a site visit conducted, site visit reports were reviewed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>University Rule</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determine whether the university rule for programs for minors meets the A&amp;M System regulation requirements.</td>
<td>Auditors obtained and reviewed University Rule 24.01.06.C1, Programs for Minors, to determine whether the rule meets the requirements of A&amp;M System Regulation 24.01.06, Programs for Minors.</td>
</tr>
</tbody>
</table>

**Controls Assessment Classification**

Audit areas highlighted in red in the Summary Table are considered to have significant weaknesses in internal controls. Significant weaknesses include errors, deficiencies, or conditions which result in one or more violations of internal controls, laws, A&M System policies, or member rules. These violations have a high probability for legal consequences, financial consequences, or negative impacts to the organization’s reputation. These are situations in which a CEO, provost, vice president, dean, or director need to be involved in the problem resolution.

Audit areas highlighted in yellow in the Summary Table are considered to have notable weaknesses in internal controls. Notable weaknesses include errors, deficiencies or conditions which result in minor to moderate noncompliance with
internal controls, laws, A&M System policies, or member rules. These are situations which can and should be corrected at the department or supervisor level.

Audit areas highlighted in green in the Summary Table are considered to have effective internal controls.

Items that were not significant or notable were communicated to management during the course of the audit.

**Criteria**

Our audit was based upon standards as set forth in the following:

- Texas A&M University System Policies and Regulations
- Texas A&M University – Corpus Christi Rules, Standard Administrative Procedures, and Guidelines
- The Committee of Sponsoring Organization’s Internal Control – Integrated Framework
- Other sound administrative practices

The audit was conducted in conformance with the Institute of Internal Auditors’ *International Standards for the Professional Practice of Internal Auditing.* Additionally, we conducted the audit in accordance with generally accepted government auditing standards (GAGAS). 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. The Office of Internal Audit is independent per the GAGAS standards for internal auditors.
Audit Team

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Daniel Garland
Tracey Sadler, CIA
Andy Startz, CPA

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Mr. Joe Miller, Director of Research Engagement
TARLETON STATE UNIVERSITY

FACILITIES DEVELOPMENT PROJECT
REPORTING TO THE HIGHER EDUCATION COORDINATING BOARD

March 13, 2024

Charlie Hrncir, CPA
Chief Auditor
Overall Conclusion

Tarleton State University is in compliance with applicable Texas Higher Education Coordinating Board (THECB) facilities development project reporting requirements.

Summary Table

<table>
<thead>
<tr>
<th>Audit Areas</th>
<th>Controls Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Projects</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Energy Saving Performance Projects</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Improved Real Property Acquisitions</td>
<td>Effective – No Observations</td>
</tr>
</tbody>
</table>

Basis of Audit

Objective, Scope, & Methodology

The objective of this audit was to determine if development projects, improved real property acquisitions, and energy savings projects complied with certification, application, and approval requirements, as applicable.

The audit focused on the following areas:

- Development projects
- Energy saving performance projects
- Improved real property acquisitions

The audit period was primarily September 1, 2015 through August 31, 2023. Fieldwork was conducted from November 2023 to January 2024.

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

<table>
<thead>
<tr>
<th>Audit Objective</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Projects</td>
<td>Auditors reviewed the population of new construction, repair, and</td>
</tr>
</tbody>
</table>
### Project #20240402

**Audit Objective**

Determine whether development projects complied with THECB requirements for certifications and applications.

**Methodology**

Renovation projects for the audit period and selected all four projects subject to THECB requirements for testing. Auditors obtained and reviewed documentation to determine if Texas A&M University System Board of Regents Certification and a THECB application for the project were submitted in compliance with THECB requirements. For the projects completed, auditors determined if the THECB facilities database was updated.

**Energy Saving Performance Projects**

Determine whether energy savings performance projects complied with THECB requirements for Board of Regents certification, THECB application, and contract approval.

The population of one project was selected for testing. Auditors obtained and reviewed documentation to determine if Texas A&M University System Board of Regents Certification was submitted, the THECB application for the project was submitted, and the energy savings performance project was approved in compliance with THECB requirements.

**Improved Real Property Acquisitions**

Determine whether improved real property acquisitions complied with THECB requirements for certifications and applications.

Auditors reviewed the population of real property acquisitions for the audit period and determined no acquisitions were subject to the THECB requirements.

### Controls Assessment Classification

Audit areas highlighted in red in the Summary Table are considered to have significant weaknesses in internal controls. Significant weaknesses include errors, deficiencies, or conditions which result in one or more violations of internal controls, laws, A&M System policies, or member rules. These violations have a high probability for legal consequences, financial consequences, or negative impacts to the organization’s reputation. These are situations in which a CEO,
provost, vice president, dean, or director need to be involved in the problem resolution.

Audit areas highlighted in yellow in the Summary Table are considered to have notable weaknesses in internal controls. Notable weaknesses include errors, deficiencies or conditions which result in minor to moderate noncompliance with internal controls, laws, A&M System policies, or member rules. These are situations which can and should be corrected at the department or supervisor level.

Audit areas highlighted in green in the Summary Table are considered to have effective internal controls.

Criteria

Our audit was based upon standards as set forth in the following:

- Texas A&M University System Policies and Regulations
- Texas Administrative Code Title 19, Part 1, Chapter 17
- Texas Higher Education Board’s 2023 Facilities Audit Protocol
- Other sound administrative practices

The audit was conducted in conformance with the Institute of Internal Auditors’ *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted the audit in accordance with generally accepted government auditing standards (GAGAS). 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. The Office of Internal Audit is independent per the GAGAS standards for internal auditors.
Audit Team

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Andy Startz, CPA

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Mr. Phillip Ray, Vice Chancellor for Business Affairs
Mr. Clint Cooper, Executive Director, System Real Estate
Mr. Brett McCully, Chief Facilities Officer
Mr. Matt Henley, Executive Director, Facilities Planning and Construction
Mr. Peter Schmid, Director, Facilities and Construction
Ms. Janet Gordon, System Ethics and Compliance Officer