

# **The University of Texas** of the Permian Basin

## **ANNUAL INTERNAL AUDIT REPORT**

**For the Fiscal Year Ended  
August 31, 2018**



**Office of Internal Audit  
4901 E. University  
Odessa, Texas 79762**

## Table of Contents

<b>I. Compliance with Texas Government Code, Section 2102.015): Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit Information on Internet Website.....</b>	<b>3</b>
<b>II. Internal Audit Plan for Fiscal Year 2018 .....</b>	<b>3</b>
• Deviations From the Audit Plan	
<b>III. Consulting Services and Non-Audit Services Completed.....</b>	<b>5</b>
<b>IV. External Quality Assurance Review .....</b>	<b>5</b>
• See Attachment	
<b>V. Internal Audit Plan for Fiscal Year 2019 .....</b>	<b>5</b>
• High Risks Not Included in Audit Plan for Fiscal Year 2019	
• Risk Assessment Methodology	
<b>VI. External Audit Services Procured in Fiscal Year 2018 .....</b>	<b>12</b>
<b>VII. Reporting Suspected Fraud and Abuse .....</b>	<b>12</b>
<b>Attachments:</b>	
• External Quality Assurance Review	
• Audit Recommendation Status - 2018	

**I. Compliance with House Bill 16 (Texas Government Code, Section 2102.015): Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit Information on Internet Website**

In accordance with the provisions of House Bill 16, UT Permian Basin will post on its website the approved Annual Internal Audit Report for fiscal year 2018 and the approved Audit Plan for fiscal year 2019. The website address is <https://www.utpb.edu/services/presidents-office/internal-audit>.

Additional required information will be posted to this website, such as: a detailed summary of the weaknesses, deficiencies, wrongdoings, or other concerns, if any, raised by the audit plan or annual report; and a summary of the action taken by the agency to address concerns, if any, that are raised by the audit plan or annual report.

**II. Internal Audit Plan for Fiscal Year 2018**

Senate Bill 20 (84<sup>th</sup> Legislative Session) made several modifications and additions to Texas Government Code (TGC) and Texas Education Code (TEC) related to purchasing and contracting. Effective September 1, 2015, TEC §51.9337 requires that, “*The chief auditor of an institution of higher education shall annually assess whether the institution has adopted the rules and policies required by this section and shall submit a report of findings to the state auditor.*”

The UT Permian Basin Office of Internal Audit conducted this required assessment for fiscal year 2018, and found the following:

Based on review of current institutional policy and the UT System Board of Regents’ *Rules and Regulations*, UT Permian Basin has generally adopted, with no exceptions noted, all of the rules and policies required by TEC §51.9337. Review and revision of institutional and System policy is an ongoing process. These rules and policies will continue to be assessed annually to ensure continued compliance with TEC 51.9337.

A compliance audit of Benefits Proportionality Funding was completed on August 31, 2018 which covered the fiscal years 2015 – 2017. Our audit noted that UT Permian Basin undercharged State appropriations by a cumulative amount of \$127,011.12 over the three year period. No other significant issues were noted. This audit was required by Rider 8 of the General Appropriations Act (85<sup>th</sup> Legislature).

FY 2018 Audit Plan	Current Status	Report/Memo Date
<b>Risk Based Audits</b>		
Financial Aid	Cancelled	
Title IX Compliance	Report Issued	8/21/2018
Change in Management - Office of the President	Cancelled	
College of Nursing	In Progress	
TAC 202 System Security	Report Issued	3/26/2018

**The University of Texas of the Permian Basin**  
**Annual Internal Audit Report - FY 2018**



Internal Control reviews	In Progress	
JBS Public Leadership Institute - Carryforward From FY 2017	Report Issued	5/17/2018
<b>Required Audits (External and Internal)</b>		
Annual Financial Report - FY 2017	In Progress	
Annual Financial Report - FY 2018 (interim procedures)	In Progress	
UTS 142.1 - Segregation of Duties and Accts Reconciliation Monitoring Plan	In Progress	
Presidential Travel and Entertainment Expense (UT System)	In Progress	
Executive Travel and Entertainment Expense - FY 2017	Report Issued	6/22/2018
JAMP - Joint Admissions Medial Program - FY 2017	Report Issued	10/30/2017
State of Texas Federal Single Audit - Student Financial Aid Cluster	Complete	
Benefits Proportionality	Report Issued	8/31/2018
Procurement Compliance Assessment	Report Issued	8/30/2018
Facilities - Texas Higher Education Coordinating Board (THECB)	Report Issued	5/31/2018
<b>Consulting</b>		
As needed projects		
Uniform Guidance - Sponsored Projects and Research	Ongoing	
UT Share - PeopleSoft	Ongoing	
STEM Academy - Grants	Report Issued	1/11/2018
<b>Investigations</b>		
Investigations, complaints, hotline tips - General		
17-01	Report Issued	9/22/2017
17-04	Memo Issued	1/31/2017
17-06	Report Issued	3/15/2018
17-07	Report Issued	5/18/2018
18-01	Report Issued	1/9/2018
18-03 Provide assistance to UT System/report issued by UT System	Report Issued	4/25/2018
<b>Follow Up</b>		
General follow-Up		
Athletics Academic Integrity	Memo Issued	4/18/2018
Effort Reporting and Certification	In Progress	
TRS Retiree Rehires	In Progress	
<b>Development - Operations</b>		
Annual Risk Assessment and Audit Plan	Complete	
Annual Internal Audit Report - FY 2017	Report Issued	10/26/2017
Internal Quality Assessment Review Activities	Complete	
External Quality Assessment Review	Complete	
Training provided by Internal Audit		
Internal Audit Committee		

Compliance		
TeamMate, IDEA, IT issues, website development/maintenance		
Performance Metrics - UT System		
Other Required Work - UT System		
Outside Audit Coordination/Tracking		
UT System - Council Meetings		
<b>Development - Initiatives &amp; Education</b>		
Professional Organizations		
Continuing Professional Education		
Other Training		

### III. Consulting Services and Non-Audit Services

Project Name	Report Date	Overall Objective	Observations/Results/Recommendations
STEM Academy - Grants	1/11/2018	Identify and review grants for compliance with federal and grantor requirements	Office of Graduate Studies and Research should have primary responsibility for both pre-award and post-award activities and maintain complete documentation of all grant documents; Detailed financial documentation in PeopleSoft should be maintained according to grant and State record retention requirements; UTPB should coordinate with UT System to implement procedures that allow for accurate time and effort reporting

### IV. External Quality Assurance Review

An external quality assurance review was completed in FY 2018. The executive summary is included with this report in the Attachments.

### V. Internal Audit Plan for Fiscal Year 2019

The approved Fiscal Year 2019 audit plan is presented as required by the State Auditor's Office guidelines: 1) The requirements of Senate Bill 20 (84th Legislature) were fulfilled by the Procurement audit completed on 2/10/17; 2) A compliance audit of Benefits Proportionality Funding was completed on March 7, 2016, which covered the fiscal years 2012 – 2014. Our audit noted that UT Permian Basin undercharged State appropriations by \$464,173.21 in 2012. No other significant issues were noted. This audit was required by Rider 8 of the General Appropriations Act (85<sup>th</sup> Legislature); 3) A list of risks ranked as high that were identified, but have not been included in the Fiscal Year 2019 Audit Plan, is

included after the Plan; and 4) A brief description of the risk assessment methodology used to develop the Plan, including consideration of risks applicable to information technology, is included as well.

FY 2019 Audit Plan	Budget
<b>Assurance (Audit) Engagements</b>	
Individual PeopleSoft Access Roles and Permissions	400
System Access - Inactive Employees	200
Athletics - Eligibility	400
Research Post-Award Procedures and Controls	300
UTS 142.1 - Segregation of Duties and Accts Reconciliation Monitoring - 2019	200
Student Housing	300
Title IX Compliance - <i>carryforward</i>	25
College of Nursing - <i>carryforward</i>	25
UTS 142.1 - Segregation of Duties and Accts Reconciliation Monitoring - 2018	25
Benefits Proportionality	25
Risk Based Audits - to be determined	300
<b>Risk Based Audits Subtotal</b>	<b>2200</b>
<b>Required Engagements (External and Internal)</b>	
Annual Financial Report - FY 2018	35
Annual Financial Report - FY 2019 (interim procedures)	5
Presidential Travel and Entertainment Expense (UT System)	10
State of Texas Federal Single Audit - Student Financial Aid Cluster	5
NCAA Agreed Upon Procedures - Athletics (UT System)	75
<b>Required Audits (External and Internal) Subtotal</b>	<b>130</b>
<b>Advisory and Consulting Engagements</b>	
As needed projects	200
UT Share - PeopleSoft	40
Administrative Council Meetings	60
Training provided by Internal Audit	20
Compliance Meetings/Coordination	80
Internal control reviews	110
Risk based non-audit projects - to be determined	200
<b>Consulting Subtotal</b>	<b>710</b>
<b>Investigations</b>	
As needed	200
<b>Investigations Subtotal</b>	<b>200</b>
<b>Follow Up</b>	

General follow-up	100
John Ben Shepperd Public Leadership Institute - Follow-up	50
Small Business Development Center - Follow-up	50
<b>Follow Up Subtotal</b>	<b>200</b>
<b>Reserve</b>	
Special requested or unanticipated audits/projects	200
<b>Reserve Subtotal</b>	<b>200</b>
<b>Development - Operations</b>	
Annual Risk Assessment and Audit Plan	140
Annual Internal Audit Report - FY 2018	40
Internal Quality Assessment Review Activities	40
External Quality Assessment Review	
Training provided by Internal Audit	
Internal Audit Committee	280
Compliance	
TeamMate, IDEA, IT issues, website development/maintenance	100
Performance Metrics - UT System	20
Other Required Work - UT System	60
Outside Audit Coordination/Tracking	40
UT System - Council Meetings	60
<b>Development - Operations Subtotal</b>	<b>780</b>
<b>Development - Initiatives &amp; Education</b>	
Professional Organizations	40
Institutional Strategic Objectives	40
Required Continuing Professional Education (CPE)	120
Other Training	120
<b>Development - Initiatives &amp; Education Subtotal</b>	<b>320</b>
<b>Total Hours</b>	<b>4740</b>

**V. (continued) Identified High Risks Not Covered in FY 2019 Audit Plan**

Area	Detailed Risk Description	Risk Score	Risk Mitigation Notes
Enrollment Management	Unable to significantly increase the number of students and graduates over the next several years in order to serve the educational needs of the regional workforce within the Permian Basin	Critical	Existing processes and procedures in enrollment management are being evaluated/implemented in order to maximize student enrollment growth. The addition of a permanent Vice President over Enrollment Management is planned for the next year.
Graduate Studies and Research	Unable to significantly increase the amount of research and grants in order to assist the needs of the community, region and state in providing new knowledge	Critical	New leadership of this office is focusing on increasing the amount of grants as well as complying with state, federal and grant requirements.
Development	The external funding and resources that are necessary for the University to achieve its goals are not realized	Critical	Office is in the process of being re-organized with more comprehensive resources.
Office of the President	Effective collaboration and partnerships with the local community and business in order to advance both the University and the local community/region are not established	Critical	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.
Office of the President	The percentage of net revenue producing students is insufficient to provide adequate funding in order to support continued growth	Critical	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.
Human Resources	Benefit and compensation levels are not commensurate with local job market and cost of living	Critical	Compensation study by outside consultants is planned for FY 2019.
UTPB Police	Inability to lock down buildings remotely in case of an active threat situation or other emergency, and to help prevent theft and vandalism	Critical	University working toward procuring the necessary equipment and technology through grants.
UTPB Police	Inability to effectively monitor potential threats or criminal activity due to few security cameras inside of buildings	Critical	University working toward procuring the necessary equipment and technology through grants.
UTPB Police	Inability to monitor building access and maximize student and employee safety due to lack of electronic card entry into all buildings	Critical	University working toward procuring the necessary equipment and technology through grants.



Financial Aid	Notices of scholarship awards and financial aid packages are not transmitted in a timely manner	Critical	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.
Admissions	Student applications and acceptance letters are not processed in a timely manner	Critical	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.
Information Security	The institution has limited ability to detect and report computer incidents	Critical	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.
Information Resources	Critical business processes or functions processed using end user applications	Critical	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.
Information Resources	Lack of current DRP/BCP for critical assets	Critical	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.
Information Resources	Lack of governance over implementation of system and business initiatives	Critical	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.
Financial Aid	Scholarships and Federal, state and other awards/financial aid are not effectively combined and leveraged in order to maximize student growth	High	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.
Business Affairs	Lack of technical knowledge among staff with PeopleSoft with upcoming systemwide upgrade to version 9.2	High	To implement increased training for staff on PS 9.2 enhancement.
Communications	Lack of a coordinated, comprehensive and up to date marketing/branding plan	High	Structural changes to this office including new Chief of Staff/Executive Director of Communication.
Communications	Website, print, radio and social media information are not current and not utilized to their fullest extent to enhance the image of the University and provide current information	High	Structural changes to this office including new Chief of Staff/Executive Director of Communications.
Human Resources	Effective and relevant training and individual development is not provided to faculty and staff on an ongoing basis	High	Training function moved from Compliance to HR with training director position added.
Information Resources	Institutional IT policies are not consistent with Federal, State, or System rules and regulations	High	Texas Administrative Code (TAC) 202 requires audit every other year. Last audit in FY 2018. To be included in FY 2020 audit plan.

UTPB Police	Lack of a secondary communications center to handle incoming emergency calls in case of an emergency evacuation of the Mesa Building	High	The Police Chief is working with the University to obtain a secondary communications center at the Midland campus
Compliance	Claims of abuse or non-compliance are not properly investigated and reported	High	Title IX compliance audit performed in FY 2018. Follow-up work planned for FY 2019. Restructuring of compliance function in progress.
Compliance	Employee training and procedure updates regarding Title IX compliance are not provided	High	Restructuring of compliance function in progress.
Compliance	Information is not disseminated to staff and students regarding Title IX compliance	High	Restructuring of compliance function in progress.
Institutional Research, Planning, and Effectiveness	Data in the PeopleSoft database is inaccurate resulting in incorrect information being reported.	High	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.
Financial Aid	Administration of financial aid and awards does not conform to Federal, state and other requirements	High	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.
Information Resources	ERP system not able to provide consistent data used for Federal, State, or System reporting requirements	High	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.
Information Resources	Not all 3rd party IT vendor contracts are vetted for UTS and University policy compliance	High	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.
Information Resources	IT not adequately staffed to cover critical IT operations or business functions	High	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.
Information Security	Critical university data may not be properly classified	High	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.
Information Resources	Redundant or secondary network circuit to internet not available	High	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.

Information Resources	Data from external feeds may be inaccurate or corrupted	High	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.
Information Resources	Integrity tools or reports not reliable or available for critical data	High	Existing business processes are being evaluated. New business processes being implemented. Using outside consultant to assist in management of office.
Environmental Health & Safety	Non-compliance with State and Federal regulations regarding safety and compliance with State and Federal emergency management programs	High	Emergency management peer review required by law every 3 years. Latest peer review is now in progress.
Environmental Health & Safety	Due to changes in facilities and staffing, not having updated evacuation plans and procedures that could result in personal injury	High	Emergency management peer review required by law every 3 years. Latest peer review is now in progress.

## V. (continued) Risk Assessment Methodology

The FY 2019 Audit Plan indicates planned internal audit activities that will be performed during the fiscal year. This Plan is prepared using a risk-based approach to ensure that areas and activities specific to UT Permian Basin are identified for consideration to be audited.

The goals for this risk assessment approach were to start at the top with an awareness of critical initiatives and objectives to ensure the risks assessed were the most relevant. An emphasis was placed on collaboration with other functions that assess, handle, or manage risk. Information Technology risks represent a broad, high-risk category in our risk assessment and includes specific information technology risks related to Title 1, Texas Administrative Code, Chapter 202. Information Security Standards (TAC 202). An audit of compliance with TAC 202 requirements was completed during the 2018 FY on March 26, 2018. The next biennial audit of TAC 202 compliance will included in the FY 2020 Audit Plan.

A compliance audit of Benefits Proportionality Funding was completed on August 31, 2018, which covered the fiscal years 2015 – 2017. This audit was required by Rider 8 of the General Appropriations Act (85<sup>th</sup> Legislature). Annually, risks associated with benefits proportionality are weighed and assessed as part of the annual risk assessment process, which is ultimately approved by the UT Permian Basin Audit Committee.

Our risk assessment approach is based on a top-down process that includes conversations with, and requests for input from executive management, deans, and department heads. Risk factors evaluated are probability of occurrence and impact to the achievement of the objective.

The resulting Risk Assessment for 2019 was discussed with the Audit Committee at its June 2018 meeting, and was subsequently approved as part of the 2019 Audit Plan.

## VI. External Audit Services Procured in Fiscal Year 2018

UT Permian Basin contracted with the public accounting firm of Belt Harris Pechacek to perform the financial audit of the STEM charter school for the year ended August 31, 2017. While no other external audit services were procured by UT Permian Basin during Fiscal Year 2018, other engagements were performed by outside entities (contracted by UT System), and include the following for FY 2018:

- Deloitte Touche LLP, conducted audit procedures related to the FY 2017 Annual Financial Report and interim procedures for the audit of the FY 2018 Systemwide Annual Financial Report, and performed a review of UTPB internal controls over financial reporting for the FY 2018.

## VII. Reporting Suspected Fraud and Abuse

The following actions have been taken by the University of Texas of the Permian Basin to implement the following requirements:

**Fraud Reporting** - Section 7.09, General Appropriations Act (85<sup>th</sup> Legislature, Conference Committee Report), Article IX.

Sec 7.09 Fraud Reporting. A state agency or institution of higher education appropriated funds by this Act shall use appropriated funds to assist with the detection and reporting of fraud involving state funds as follows:

- (a) By providing information on the home page of the entity's website on how to report suspected fraud, waste, and abuse involving state resources directly to the State Auditor's Office. This shall include, at a minimum, the State Auditor's Office fraud hotline information and a link to the State Auditor's Office website for fraud reporting; and
- (b) By including in the agency or institution's policies information on how to report suspected fraud involving state funds to the State Auditor's Office.

*UT Permian Basin has a link for reporting fraud, waste, and abuse at the University's home page, [www.utpb.edu](http://www.utpb.edu), which provides a direct link to the State Auditor's fraud website and hotline.*

**Coordination of Investigations** - Texas Government Code, Section 321.022.

Sec. 321.022. Coordination of Investigations.

- (a) If the administrative head of a department or entity that is subject to audit by the state auditor has reasonable cause to believe that money received from the state by the department or entity may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the department or entity, the administrative head shall

report the reason and basis for the belief to the state auditor. The state auditor may investigate the report or may monitor any investigation conducted by the department or entity.

- (b) The state auditor, in consultation with state agencies and institutions, shall prescribe the form, content, and timing of a report required by this section.
- (c) All records of a communication by or to the state auditor relating to a report to the state auditor under Subsection (a) are audit working papers of the state auditor.

*UT Permian Basin complies with this requirement, as applicable, in conjunction with the UT System Policy UTS118, Statement of Operating Policy Pertaining to Dishonest or Fraudulent Activities, located at <https://www.utsystem.edu/sites/policy-library/policies/uts-118-dishonest-or-fraudulent-activities>.*

September 20, 2017

Mr. Glenn Spencer, Chief Audit Executive  
The University of Texas of the Permian Basin

In September 2017, The University of Texas of the Permian Basin (UTPB) Office of Internal Audit (OIA) completed a self-assessment of internal audit activities in accordance with guidelines published by the Institute of Internal Auditors (IIA) for the performance of a quality assessment review (QAR). UTPB OIA engaged an independent review team consisting of three internal audit professionals with extensive higher education experience to perform an independent validation of OIA's QAR self-assessment. The primary objective of the validation was to verify the assertions made in the QAR report concerning OIA's conformity to the Institute of Internal Auditor's *International Standards for the Professional Practice of Internal Auditing* (the *IIA Standards*) and Code of Ethics, Generally Accepted Government Auditing Standards (GAGAS), and the relevant requirements of the Texas Internal Auditing Act (TIAA).

The IIA's *Quality Assessment Manual* suggests a scale of three ratings, "generally conforms," "partially conforms," and "does not conform." "Generally conforms" is the top rating and means that an internal audit activity has a charter, policies, and processes that are judged to be in conformance with the *Standards*. "Partially conforms" means deficiencies in practice are noted that are judged to deviate from the *Standards*, but these deficiencies did not preclude the internal audit activity from performing its responsibilities in an acceptable manner. "Does not conform" means deficiencies are judged to be so significant as to seriously impair or preclude the internal audit activity from performing adequately in all or in significant areas of its responsibilities.

Based on our independent validation of the QAR performed by OIA, we agree with OIA's overall conclusion that the internal audit function "**Generally Conforms**" with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics, as well as with OIA's conclusions regarding GAGAS and TIAA requirements. Our review noted strengths as well as opportunities for enhancing the internal audit function.

This information has been prepared pursuant to a client relationship exclusively with, and solely for the use and benefit of, UTPB and The University of Texas System Administration and is subject to the terms and conditions of our related contract. Baker Tilly disclaims any contractual or other responsibility to others based on its use and, accordingly, this information may not be relied upon by anyone other than The University of Texas of the Permian Basin and The University of Texas System Administration.

The review team appreciates the cooperation, time, and candid feedback of executive leadership, stakeholders, and OIA personnel.

Very truly yours,

*Baker Tilly Virchow Krause, LLP*

**Audit Recommendation Status  
FY 2018**

	Recommendation - Summary	Original Implementation Date	Current Status 8/31/2018
9/26/2016	<b>Effort Reporting and Certification</b>		
1	<i>Effort Reporting and Additional Compensation</i>		
	Total effort of all individuals involved on sponsored programs should be reflected on the PO-1 payroll form for data to flow to the ECRT application in order for total effort to be reported and certified.	3/31/2017	In progress
3/26/2018	<b>TAC 202 System Security</b>		
2	<i>DIR Security Standards Catalog Self-Assessment</i>		
	Required system security standards should be implemented. With the President's approval, any exceptions to required controls should be justified, documented, and communicated as part of the risk assessment process.	9/30/2018	In progress
6/22/2018	<b>Executive Travel and Entertainment Expense</b>		
	<i>Travel and Entertainment Expenses</i>		
	Due to turnover, UTPB should provide ongoing training and reminders to employees regarding travel and entertainment policies.	9/30/2018	Implemented
5/11/2017	<b>Athletics Academic Integrity</b>		
4	<i>Staff Compliance Training</i>		
	Both live and online orientations for staff and student athletes should include specific information on how to report possible violations. This should include a verification process that student athletes understand the policy of being able to report possible violations without fear of reprisal.	9/1/2017	Partially implemented

	Recommendation - Summary	Original Implementation Date	Current Status 8/31/2018
5/17/2018	<b>John Ben Shepperd Public Leadership Institute</b>		
	<i>Misuse of University Resources</i>		
5	<p>A. The JBS Foundation should reimburse UTPB for all sales revenue and royalties for the book "The Americansim of John Ben Sheppard".</p> <p>B. The Institute should maintain accurate and detailed records of all future financial transactions, including book sales and royalties.</p> <p>C. More effective internal controls should be implemented to preclude use of State funds for prohibited purposes.</p> <p>D. More effective internal controls and oversight should be implemented to preclude inappropriate use of the website and email services for personal gain.</p>	5/31/2018	Implemented
	<i>Incomplete Internal Records</i>		
6	<p>Using proper segregation of duties, the Institute should maintain complete, accurate and detailed records of all financial transactions, including all revenue and royalties from book sales. Monthly reconciliations should be performed that compare reported book sales and gifts to revenues/royalties collected and deposited, and to actual remaining books on hand.</p> <p>The Friends of the Presidential Archives should be required to maintain complete and accurate records of all sales generated from all books and/or other items owned by UTPB. All related data, along with actual receipts and collections, should be made available to the Institute for revenue deposit and reconciliation purposes.</p>	5/31/2018	Implemented
	<i>Assets Not Recorded Nor Capitalized</i>		
7	<p>All assets of the Presidential Museum and Archives should be identified and catalogued in order to increase security against loss or theft, and to assist in developing an estimated value for the collection as a whole.</p> <p>As required by the Texas State Controller, UTPB should capitalize the museum and library archives, including the Bush Home, using the guidelines of Governmental Accounting Standards Board Statement No. 34 (GASB 34). All donations of works of art or historical treasures should be recognized as revenue according to Governmental Accounting Standards Board Statement No. 33 (GASB 33).</p>	8/31/2019	In progress



	Recommendation - Summary	Original Implementation Date	Current Status 8/31/2018
	<i>Unreconciled Gift Revenue</i>		
8	The Institute should work with both Accounting and Development to determine the reasons for the discrepancies as noted, and to verify that all gifts to the Institute were properly received and deposited. Additionally, the Institute should periodically reconcile its deposited gift revenue to that recorded by Development in order to avert or minimize future errors.	5/31/2018	Implemented
	<i>Outside Organizations</i>		
9	UTPB should execute a formal written agreement with the Friends of the Presidential Archives, in which the rights, responsibilities and liabilities for each party are clearly defined.	5/31/2018	In progress
	<i>Conflicts of Interest</i>		
10	While UTPB already has a conflict of interest policy, and annual training is required on conflicts of interest and ethics, management should maintain closer scrutiny over the internal and external activities of employees in order to eliminate, or at least minimize, any future occurrences.	5/31/2018	Implemented
8/21/2018	<b>Title IX Compliance</b>		
	<i>No Title IX Case Files for STEM Academy</i>		
11	The Title IX Coordinator should maintain original case files, or at a minimum, complete copies of all case files associated with the STEM Academy. UTPB/UT System policy places the responsibility for case documentation on the Title IX Coordinator, regardless of who actually performs the investigation.	9/30/2018	Implemented
	<i>Incomplete Case List</i>		
12	In order to fully account for all Title IX-related cases and ensure that proper responses/actions are occurring, the Title IX Coordinator should be notified of all Title IX-related complaints and should coordinate and oversee all investigations per UTPB/UT System policy.	9/30/2018	Implemented

	Recommendation - Summary	Original Implementation Date	Current Status 8/31/2018
13	<i>Incomplete Case File Information</i>		
	All supporting documentation should be maintained in case files. This includes discussion and interview notes, as well as evidence of all required notifications, such as emails or copies of written notifications. Lack of supporting documentation makes it difficult to verify the extent that UTPB has complied with institutional, UT System and federal requirements.	9/30/2018	Implemented
14	<i>Inconsistent Report Format</i>		
	One standard report format template should be used for all Title IX investigation reports.	9/30/2018	Implemented
15	<i>Inconsistent Case File Format</i>		
	It is important that the case file information is consistently maintained in one central location and organized in one consistent manner. It is recommended that one standard record keeping system and file organization method be applied consistently to all Title IX cases.	10/31/2018	Implemented
16	<i>Improvement needed in communication of UTPB policy</i>		
	The UTPB Sexual Harassment/Misconduct Policy should be edited and updated to ensure that it is clearly understood by the University community. The locations of the policy on the University website should also be reviewed to ensure that it is easy to find for students, faculty, and staff. All posters, brochures, and other printed materials should be updated.	12/31/2018	In progress