



UNIVERSITY OF
TEXAS
ARLINGTON

NURSING SHORTAGE REDUCTION PROGRAM AWARDS AUDIT

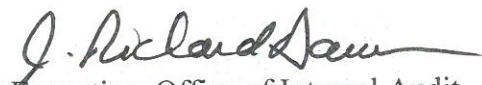
MAY 21, 2015

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MEMORANDUM

TO: Dr. Vistasp Karbhari
President

FROM: J. Richard Dawson 
Interim Chief Audit Executive, Office of Internal Audit

DATE: May 27, 2015

SUBJECT: Nursing Shortage Reduction Program Awards Audit Report
Dated May 21, 2015

Executive Summary

We have completed the Nursing Shortage Reduction Program Awards Audit as included in our FY 2015 annual audit plan. The objective of this audit was to provide assurance that UT Arlington is complying with the requirements as specified in the program announcement. UT Arlington received an award in the *Over 70 Program* during the Fiscal Year (FY) 2012 period.

Based on the audit procedures performed, the expenditures in the annual reports of the Nursing Shortage Reduction Program associated with the *Over 70 Program* award were accurately reported and properly recorded in accordance with the award program announcement specifications. No exceptions were substantiated for a finding. All funds awarded by the Texas Higher Education Coordinating Board (THECB) were expended and no funds were required to be returned.

We appreciate the courtesy and cooperation we received from the College of Nursing and Health Innovation staff throughout this audit. If you have any questions, please contact our office at extension 2-0150.

cc: Dr. Ronald L. Elsenbaumer, Provost and Vice President for Academic Affairs, UT Arlington
Ms. Kelly Davis, Vice President for Business Affairs and Controller, UT Arlington
Mr. John Hall, Vice President for Administration and Campus Operations, UT Arlington
Dr. Anne Bavier, Dean, College of Nursing and Health Innovation, UT Arlington
Ms. Holly Niemann, Manager, Accounting and Finance, College of Nursing and Health Innovation, UT Arlington
Dr. Pedro Reyes, Executive Vice Chancellor for Academic Affairs, UT System

MEMORANDUM: May 27, 2015

SUBJECT: Nursing Shortage Reduction Program Awards Audit Report

Mr. Alan Marks, Assistant Vice Chancellor of Academic Affairs and Athletics Counsel, UT System

Mr. J. Michael Peppers, Chief Audit Executive, UT System

Ms. Moshmee Kalamkar, Audit Manager, UT System

Mr. Ed Buchanan, Program Director, Nursing Shortage Reduction Program, THECB

Mr. Ed Osner, Legislative Budget Board

Mr. Jonathan Hurst, Governor's Office of Budget, Planning and Policy

Ms. Candice Woodruff, Primary Advisor (Education), Office of the Governor

Internal Audit Coordinator, State Auditor's Office

Mr. Ken Levine, Sunset Advisory Commission

Report File

Background Information

The Texas Legislature appropriated funds to the Texas Higher Education Coordinating Board (THECB) in the 2011 Session for the Professional Nursing Shortage Reduction Program (NSRP). During FY 2012, THECB awarded \$870,000 to UT Arlington in the *Over 70 Program* and no funds in the Regular Program. The Regular Program distributes funds to state’s public and private nursing programs that show an increase in the total number of nursing graduates at the associate, baccalaureate, master’s and doctoral level. The *Over 70 Program* distributes funds to institutions with a graduation rate of 70% or greater.

As required by the FY 2012 *Over 70 Program* Announcement, the award is subject to internal and/or external audit. The institutions had four years after receipt of the award to expend the funds. They were required to submit annual reports of expenditures for each award year until all funds had been expended or returned. THECB authorized UT Arlington’s Office of Internal Audit to perform this audit.

Award Allocation Received

Total Award	Over 70 Advanced Amount Paid in June 2012	Over 70 Additional Award to Over Targets Paid in February 2013
\$870,000	\$390,000	\$480,000

The expenditures for the above award covered the period September 1, 2012 through August 31, 2014, and totaled \$870,000 in award spending.

Objectives

The objective of this audit was to provide assurance that UT Arlington is complying with the requirements as specified in the *Over 70 Program* Announcement.

Scope and Methodology

The audit was performed in accordance with guidelines set forth in the Institute of Internal Auditors’ *International Standards for the Professional Practice of Internal Auditing*. These *Standards* set criteria for internal audit departments in the areas of independence, professional proficiency, scope and performance of audit work, and management of the internal auditing department. UT System policy UTS 129 titled “Internal Audit Activities” requires that we adhere to the *Standards*.

The scope of the audit was funds awarded in FY 2012 for the *Over 70 Program*. We reviewed the Program’s Announcement and interviewed College of Nursing and Health Innovation staff as appropriate. We utilized a transaction download report from UT Arlington’s accounting

system to test the accuracy of the Annual Reports to THECB as prepared by University management.

We performed the following procedures to provide an audit opinion:

- Verified that the Annual Reports were submitted each year to THECB;
- Verified the award amount agreed to the award allocation for UT Arlington;
- Performed analytical review on the award accounts and determined the accuracy of the Annual Reports;
- Verified whether there were unspent and unearned funds returned to THECB;
- Determined whether the non-salary expenditures were significant in this award.
- Determined whether salary expenditures were accurately reported by verifying a sample of employees salary's payments and retention stipends against their DEFINE appointments.

Consequently, there were no exceptions deemed necessary for a finding or recommendation in this audit.

Conclusion

Based on the audit procedures performed, the expenditures in the annual reports of the Nursing Shortage Reduction Program associated with the *Over 70 Program* award were accurately reported and properly recorded in accordance with the award program announcement specifications. No exceptions were substantiated for a finding. All funds awarded by the Texas Higher Education Coordinating Board (THECB) were expended and no funds were required to be returned.

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