

UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
INTERNAL AUDIT & CONSULTING SERVICES
Nursing Shortage Reduction Program – Over 70 (14-25)
March 19, 2014



BACKGROUND INFORMATION

In FY 2011, the University of Texas Health Science Center San Antonio received two Nursing Shortage Reduction Program awards. A 'Regular' award of \$238,139 and an 'Over 70' award of \$502,366.

The Professional Nursing Shortage Reduction Program (NSRP) consists of three different programs. Funding for the 'Regular' and 'Under 70' programs is tied to increases in the number of graduates while the 'Over 70' program is tied to increases in enrollment. The '70' in these programs refers to a 70% graduation rate. The Texas Legislature appropriates funds for these programs to the Texas Higher Education Coordinating Board (THECB) for distribution to nursing programs.

Texas, like the rest of the nation in 1998, was facing the first stages of an emerging shortage of registered nurses. The 77th Texas Legislature passed the Nursing Shortage Reduction Act of 2001 and the Professional Nursing Shortage Reduction Program was created to increase: 1) the number of graduates from professional nursing programs, 2) the percentage of students in professional nursing programs that graduate within a reasonable times, and; 3) the number of graduates from master's and doctoral programs in nursing that join the faculty of a professional nursing program.

The THECB notified the Health Science Center in January 2014 that an audit would be required for the 'Over 70' award. Texas Administrative Code Rule 22.508 states any awards made under this program are subject to audit by internal and/or external auditors. Institutions that receive an award of \$500,000 or more are to submit an independent audit report for that award within 6 months after the fiscal year end in which that award's funds have completely been expended. The THECB agreed that the Internal Audit department at the Health Science Center San Antonio could perform the audit.

OBJECTIVE AND SCOPE

The objective of our audit was to determine if the FY 2011 'Over 70' award funds have been completely expended and if expenditures using program funds were allowable in accordance with program regulations. The NSRP program rules state that awards must be expended within four fiscal years from the receipt of funds. The scope of the audit was the revenues and expenditures for the FY 2011 Professional Nursing Shortage Reduction Program – Over 70 award in fiscal years 2011, 2012, 2013 and any other period necessary to complete the audit.

We conducted our audit in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

SUMMARY OF RESULTS

We reviewed NSRP program documentation to ensure compliance with expenditures guidelines. We reviewed accounting records to determine proper recording of revenues and expenditures of the NSRP awards.

We tested to determine if expenditures of FY 2011 NSRP – Over 70 funds were in accordance with guidelines and to ensure the program funding received was in the amount reported by the THECB.

Based on the audit procedures performed, we determined that the expenditures tested were allowable and in support of the Program objectives, that the funds received agreed to THECB records and that all of the FY 2011 NSRP – Over 70 funds were expended by August 31, 2013.

We concluded that the FY 2011 'Over 70' award funds were completely and timely expended and in accordance with program regulations.

SUMMARY OF SIGNIFICANT FINDINGS

This audit identified no findings considered significant to the institution. According to the UT System Policy 129 – *Internal Audit Activities*, an audit finding identified as significant is one that is material to the operation, financial reporting, or legal compliance of the institution. The UT System Audit Office receives and tracks significant audit findings on a quarterly basis. It also provides a summary report to the UT System Internal Audit Committee and the Audit, Compliance, and Management Review Committee of the UT System Board of Regents.

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*An *** preceding your name indicates you are required to respond to recommendations contained in this report; an adequate response describing the action taken or planned is required to be sent to the Director, Internal Audit.*

APPROVED FOR RELEASE	CHIEF AUDIT EXECUTIVE, AD INTERIM <i>Shel Brown</i>	<i>3/26/14</i>	AUDITORS Robert McDermott Dora Ann Verde
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