

## 19-300B THECB Nursing Shortage “Over 70” 2014

We have completed our audit of the Texas Higher Education Coordinating Board (THECB) Professional Nursing Shortage Reduction Program (NSRP)- Institutions with Over 70% Nursing Graduation Rate “Over 70 Program” Annual Financial Report (AFR) from fiscal year 2014 to 2018. This audit is required by the THECB. The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

### BACKGROUND

THECB provides state appropriated funds to help institutions increase the total number of nursing graduates. We received funds for the NSRP “Over 70 Program”. The funds appropriated to the THECB are divided among eligible institutions based on the number of graduates the institution has each fiscal year. The “Over 70 Program” is only open to institutions of higher education with over 70% graduation rate in the preceding fiscal year. The intent of these funds is to assist the institution with enrolling a sufficient number of students to meet the state’s need for registered nurses. The funds can be used for costs related to: enrolling additional students; nursing faculty enhancement; encouraging innovation in the recruitment and retention of students; and identifying, developing, or implementing innovative methods to make the most effective use of limited professional nursing program resources.

### OBJECTIVES

The objective of this review was is to determine whether the expenditures from this award meet the expenditure requirements outlined in the Program Announcement for this program.

### SCOPE PERIOD

The scope period was 10/15 2014 - 08/31/2018

### METHODOLOGY

The following procedures were performed:

- Reviewed the Professional Nursing Shortage Reduction Program Agreement with the Coordinating Board to gain an understanding of the terms.
- Obtained Professional Nursing Shortage Reduction Program Annual Financial Report. Traced program revenue received and corresponding expenditures to the general ledger and determine whether the funds awarded are accounted for separately
- Selected a sample of expenditures. Reviewed to ensure they are consistent with the program guidelines/ contract provisions and meet the definition of program's allowable expenses.
- Selected a sample of payroll transactions to determine whether individuals paid by Nursing Shortage Reduction Program (NSRP) funds worked on the agreement by reviewing time and effort reports for appropriate signatures and approval.

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### AUDIT RESULTS

Fund expenditures of of \$ 1,120,000 were used exclusively for the UTHealth School of Nursing faculty salaries, which is an allowable expenditure. During 2014, funds from FY2012 to FY 2014 Programs were recorded in the same Department ID, regardless of program or fiscal year. As a result, we were unable to tie the 2014 Over 70 NSRP AFR (\$182,153.00) directly to the UTHealth accounting system. However, this issue was already reported on the THECB NSRP "Over 70" Audit report issued 02/26/2014. For the subsequent years, awards under this program were properly accounted for separately by program and by year. Therefore, the UTHealth accounting system supports expenditures reported on the AFR for the NSRP "Over 70 Program" funds from fiscal years 2015 to 2018.

### NUMBER OF PRIORITY & HIGH FINDINGS REPORTED TO UT SYSTEM

None

We would like to thank the staff and management within the The School of Nursing who assisted us during our review.



Daniel G. Sherman, MBA, CPA, CIA  
Assistant Vice President

### MAPPING TO FY 2019 RISK ASSESSMENT

<b>Risk (Rating)</b>	N/A (Audit requested by THECB)
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### DATA ANALYTICS UTILIZED

<b>Data Analytic #1</b>	Used IDEA appending Feature to compile reports from different fiscal years.
<b>Data Analytic #2</b>	Used IDEA Summarization Feature to obtain total population of employees paid from the Nursing Shortage program.

### AUDITING & ADVISORY SERVICES ENGAGEMENT TEAM

<b>Assistant Vice President</b>	Daniel G. Sherman, MBA, CPA, CIA
<b>Auditor Assigned</b>	Diarra Boye, CIA, CFE
<b>End of Fieldwork Date</b>	11/23/2018
<b>Issue Date</b>	12/6/2018

#### Copies to:

Audit Committee

THECB

School of Nursing Dean's Office