



THE UNIVERSITY OF TEXAS
PERMIAN BASIN

**CHANGE IN LEADERSHIP AUDIT
- COLLEGE OF BUSINESS**

Fiscal Year 2026

December 11, 2025

*Office of Internal Audit and Advisory Services
4901 E. University Boulevard
Odessa, Texas 79762*



Change in Leadership Audit Fiscal Year 2026

SUMMARY

BACKGROUND AND OBJECTIVE

The College of Business at the University of Texas Permian Basin (UTPB) is accredited by the Association to Advance Collegiate Schools of Business (AACSB). Its mission centers on advancing business and energy industry research. The college offers undergraduate and graduate programs that are available both on-campus and in online formats.

The audit was conducted to support newly appointed leadership within the college. The objective of the audit was to evaluate the college's administrative business operations to ensure they were effectively controlled and compliant with applicable policies, procedures, and regulations.

CONCLUSION

Opportunities exist to enhance compliance with institutional requirements related to compliance training, conflict of interest certifications, and fiscal management.

OBSERVATIONS




I Medium	Business processes within the College of Business do not consistently comply with institutional requirements.
---------------------	---

Management developed action plans that incorporated Internal Audit recommendations to address these observations and anticipates implementation by November 30, 2025.

Medium

Observation I: Business processes within the College of Business do not consistently comply with institutional requirements.

In reviewing the College of Business's established business processes, the state of compliance with applicable institutional requirements is outlined below.

Domain	Status	Observation Detail
Compliance Training		UTPB's General Compliance Training Program mandates Compliance Training for all UTPB employees. In reviewing compliance with the established training requirements, it was observed that for FY25, 18% (10 out of 55) of the employees did not complete all the required training modules. Noncompliance with established training requirements may expose the institution to increased operational, legal, and reputational risks.
Conflict of Interest Certifications		The UTPB Conflicts of Interest (COI) policy for all employees is outlined on the university website. ¹ All UTPB employees are required to disclose potential conflicts of interest and any outside activities. In confirming compliance with the established requirements, 77% (46 out of 60) employees did not consistently acknowledge the COI policy and report outside activities in the last 12 months. Failure to comply with the COI policy may result in misuse of institutional resources, compromised decision-making, or reputational damage.
Fiscal Management		According to the Office of Accounting's reconciliation requirements, cost center reconciliation and approval are required within 60 days after month-end closing. In testing controls over cost center reconciliation and approval, including compliance with the cost center reconciliation-related policy, it was noted that for FY25: <ul style="list-style-type: none">63% (174 out of 275) of the cost center reconciliations were completed and approved within the required time frame.

¹ <https://www.utpb.edu/university-offices/compliance/conflict-of-interest/>



Domain	Status	Observation Detail
		<ul style="list-style-type: none">• 5% (14 out of 275) of the cost center reconciliations were not completed or approved. The cost centers had approximately \$11,515 in expenditure and \$1,033,697 in revenue.• 32% (87 out of 275) of the cost center reconciliations were completed outside the required 60-day time frame. <p>Delays in cost center reconciliation and approval increase the risk of failing to detect errors or non-compliant expenditures.</p> <p>There are various institutional requirements for processing expenditures. In evaluating compliance with applicable requirements, it was noted that an Official Occasion Expense Form (OOEF) is required to pay vendors or reimburse employees for entertainment-related expenses, which include food and refreshments provided for activities that support the University's mission. \$651 in such costs were identified without an approved OOEF. Lack of adherence to institutional expenditure processing requirements limits the ability of those responsible for reviewing expenditures to provide effective oversight.</p>

Action Plan: Procedures within the College of Business will be updated to facilitate compliance with institutional requirements. The following actions are planned:

- Compliance Training - The Dean will work with department coordinators to monitor completion rates of both faculty and adjuncts, reinforce expectations during faculty meetings, and work towards achieving improved completion rates by continuously monitoring.
- Conflict of Interest Certifications - Department Coordinators will be tasked with confirming compliance within their disciplines, and the Dean will coordinate with the Office of Compliance to support awareness and adherence. In addition to following up with those who have not completed the required entry.
- Fiscal Management - The Dean will reinforce reconciliation expectations monthly with the department administrator and ensure that each department designates responsible personnel to improve compliance with institutional requirements. The Dean will review reconciliation status reports monthly and follow up on outstanding items to promote timely and accurate financial oversight. Procedures will be updated to ensure that entertainment-related costs are supported with an OOEF and included when submitting credit card and Sahara reconciliation.



Target Implementation Date: November 30, 2025

Responsible Party: Dean, College of Business

Change in Leadership Audit Fiscal Year 2026

METHODOLOGY



This audit was conducted in accordance with the Institute of Internal Auditors’ *Global Internal Audit Standards* and generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the engagement 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 UTPB Office of Internal Audit meets the independence requirements set forth in GAGAS.

Scope & Procedures: The scope of the audit included policies, procedures, and control practices in place within the College of Business at the time of the audit and financial activity throughout fiscal year 2025. Procedures performed included a review of applicable UT Permian Basin policies and procedures, discussion with knowledgeable staff, administering an Internal Control Questionnaire (ICQ), and testing business processes in scope. Audit procedures were conducted between September 2025 and October 2025. We will follow up on action plans in this report to determine their implementation.

Observation Ratings

Priority	An issue or condition that, if not addressed timely, has a high probability to directly impact achievement of a strategic or important operational objective of UT Permian Basin or UT System as a whole.
High	An issue considered to have a medium to high probability of significant adverse effects to UT Permian Basin as a whole or at the college/department/unit level.
Medium	An issue considered to have a low to medium probability of adverse effects to UT Permian Basin either as a whole or at the college/ department/unit level.
Low	An issue considered to have minimal probability of adverse effects to UT Permian Basin either as a whole or at the college/department/ unit level.

Criteria:

- UT Permian Basin Segregation of Duties and Reconciliation of Account Monitoring Plan
- UT Permian Basin Conflict of Interest Policy
- UT Permian Basin Official Occasion Expense Form
- UT Permian Basin Office of Compliance – Compliance Training Requirement

Report Distribution:

To: Dr. Ansley Chua, Dean – College of Business
Cc: Dr. Sandra K. Woodley, President
Dr. Rajalingam Dakshinamurthy, Provost and Senior Vice President for Academic Affairs
UT Permian Basin Internal Audit Committee
External State of Texas Agencies (State Auditor, Legislative Budget Board, Governor's Office)

