



THE UNIVERSITY OF TEXAS
PERMIAN BASIN

Change in Leadership Audit - College of Education

Fiscal Year 2025

August 15, 2025

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

Change in Leadership Audit Fiscal Year 2025

SUMMARY



BACKGROUND AND OBJECTIVE

The College of Education at the University of Texas Permian Basin (UTPB) is dedicated to “teaching tomorrow’s teachers.” Its mission centers on preparing educators who are equipped to influence the next generation of students through high-quality instruction, leadership, and service. The college emphasizes practical learning, professional development, and community engagement to ensure graduates are ready to succeed in diverse educational environments.

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.

The internal control scorecard follows on the next page.

Management developed action plans to improve internal controls and anticipates implementation by May 31, 2026.

CONCLUSION

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



Internal Control Scorecard.

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

Domain	Status	Observation Detail
Compliance Training	Yellow	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, 36% (16 out of 44) 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	Yellow	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, certain 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 losing external funding, misuse of institutional resources, compromised decision-making, and significant reputational damage.
Fiscal Management	Red	<p>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:</p> <ul style="list-style-type: none"> • 45% (40 out of 89) of the cost center reconciliations were completed within the required time frame. • 30% (27 out of 89) of the cost center reconciliations were not completed or approved. The cost centers had approximately \$102,444 in expenditure and \$46,233 in revenue. • 25% (22 out of 89) of the cost center reconciliations were completed outside the required 60-day timeframe. <p>Without timely cost center reconciliation and approval, there is an increased risk of error, fraud, and inefficiency.</p>

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



Domain	Status	Observation Detail
Student Fee Cost Center Oversight		<p>In reviewing student fee-funded cost centers, 83% (5 out of 6) showed a misalignment between recognized revenue and actual expenditures.</p> <ul style="list-style-type: none"> • Four cost centers recorded revenue without any corresponding expenses. • One cost center incurred expenses without recognized revenue. <p>UT System Regents' Rule 40401 requires each institution to include procedures for proposing and approving fees and charges in its Handbook of Operating Procedures (HOP).</p> <p>Without improved oversight, the college risks underutilizing student fee revenue.</p>
Travel Authorization		<p>According to the Office of Accounting's Travel Policy and Travel Procedures Manual, employees must obtain prior approval for all official travel. 14 % (7 out of 51) of the travel authorizations tested did not receive advance approval at least five days prior to the travel date, as required. Additionally, travel authorizations for approximately \$4,700 in travel-related expenditures could not be identified.</p>

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

- **Compliance Training** - The Dean will work with department chairs to monitor completion rates, reinforce expectations during faculty meetings, and work towards achieving improved completion rates. We will also discuss expectations for completion at the August College of Education meeting.
- **Conflict of Interest Certifications** - Department chairs will be tasked with confirming compliance within their units, and the Dean will coordinate with the Office of Compliance to support awareness and adherence. We will also discuss expectations for completion at the August College of Education meeting.
- **Fiscal Management** - The Dean will reinforce reconciliation expectations with department administrators and ensure that each department designates responsible personnel. The Dean will review reconciliation status reports monthly and follow up on outstanding items to promote timely and accurate financial oversight. Administrative Assistants will meet to schedule a permanent date to do reconciliation on the same day and notify the Dean of approvals needed.
- **Revenue Collection and Student Fee Cost Center Oversight** - Revenue handling procedures will be reviewed with department leadership to ensure proper segregation of duties is in place. The Dean will also require departments to submit annual plans for student fee usage and will monitor spending to ensure alignment with intended purposes.
- **Travel Authorization** - Faculty and staff will be reminded of the advance travel approval requirement. Departmental travel coordinators will be identified to assist with advance submissions. Travel protocol will be presented by memo on September 1.



Target Implementation Date: May 31, 2026

Responsible Party: Dean, College of Education

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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 Education 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 April 2025 and July 2025. We will follow up on action plans in this report to determine their implementation status. Any request for extension to the implementation dates for observations rated Priority or High require approval from applicable executive officers. This process will help enhance accountability and ensure that timely action is taken to address the observations.

Criteria:

- UT Permian Basin Segregation of Duties and Reconciliation of Account Monitoring Plan
- UT Permian Basin Conflict of Interest Policy
- UT Permian Basin Travel Manual – Travel Authorization
- UT Permian Basin Office of Compliance – Compliance Training Requirement

Report Distribution:

To: Dr. Jennifer Seybert, Dean – College of Education
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)