

The University of Texas
Rio Grande ValleyTM

Human Development & School Services Audit

Report No. 26-ASCF-1542

January 14, 2026

Office of Audits & Consulting Services

EXECUTIVE SUMMARY

Overall Assessment:

Overall, we concluded that the department has a moderate system of internal controls.

There are opportunities to strengthen fiscal management of operating expenses.

**Risk Levels
 Appendix I**

Priority
High
Medium
Low

We appreciate the courtesy and cooperation from the Department of Human Development and School Services throughout this audit.

Background: Department of Human Development and School Services (HDSS) offers various programs, from Early Care and Early Childhood Studies to Special Education, that equip students with the skills to become competent professionals capable of working in diverse and inclusive environments. HDSS offers graduate studies in Early Childhood, Special Education, and School Psychology with Board Certified Behavior Analyst and Licensed Specialist certifications for those wishing to continue their education.

In the Department of Human Development and School Services (HDSS), students learn to develop healthy knowledge across cultures and lifespans and apply these skills in schools and other settings. HDSS students acquire practical knowledge and flexible thinking. They also learn to work with people and students from diverse backgrounds through their development in social and school environments.

The Department of Human Development and School Services reports directly to College of Education and P-16 Integration.

Objective: To evaluate the internal controls over Human Development and School Services regarding the control environment, segregation of duties, approvals and authorizations, and monitoring, to provide reasonable assurance that existing internal controls are adequate.

Scope/Period: This engagement covered the period of September 1, 2018 thru May 31, 2025.

Risk		Observation Summary
Medium	1.	Employee/Independent Contractor Verification Form not completed.
Medium	2.	Monitor for indirect influence of related parties.
Medium	3.	Two of three stipends totaling \$6,000 were not used for their authorized purpose.
Medium	4-8.	Nonadherence to established university policies and procedures over operating and travel expenditures.
Low	9.	Vendor hold process not completed.

1. Observation Detail	Management Action Plan
<p>Medium Employee/Independent Contractor Verification Form</p> <p>When hiring a Sole Proprietor or Individual for services, the Employee/Independent Contractor Verification Form must be completed and reviewed for compliance.</p> <p>Condition: We identified two instances in which employee/independent contractor verification forms were not completed as required.</p> <p>Additionally, our review of related parties revealed a potential conflict of interest involving previous department chair, consultant, and previous office assistant, who appear to share a common residential address.</p> <p>Criteria: Procurement Office Procedures</p> <p>XIII Independent Contractors When acquiring services from a Sole-Proprietorship or an Individual, an “Employee/Independent Contractor Verification Form”, available on the Purchasing Department SharePoint using UTRGV credentials, must be reviewed for compliance and approved by the Buyer prior to committing a Purchase Order/Contract. The Requesting Department shall complete and submit the Employee/Independent Contractor Verification Form, or the Buyer may assist the Department in completing the form.</p> <p>Cause: Nonadherence to established university policies and procedures.</p> <p>Effect: Non-compliance with procurement office procedures</p>	<p>Additional training will be provided for staff responsible for submitting departmental and grant-related requisitions.</p> <p>Staff training on expenditures including a segment on independent contractors is scheduled for November 5, 2025.</p> <p>Prior to submission into workflow, all requisitions are reviewed by the Internal Financial Analyst and Accountant. They will also be asked to verify that all required documentation is properly attached and that invoices have the detailed information such as date of service.</p> <p>In addition, Financial Analyst and Accountant have created a teams group with our admins where they are sharing the processes and providing updates.</p> <p>Action Plan Owner: Dean College of Education and P-16 Integration</p> <p>Implementation Date: November 05, 2025</p>

2. Observation Detail	Management Action Plan
<p>Medium Related Parties</p> <p>During the recruitment process, applicants are required to disclose any relationships they have with current UTRGV employees. The hiring official is responsible for notifying the Chief Human Resources Officer of any nepotism issues related to the selected candidate, and ensuring a management plan is established and documented as per HOP ADM 04-206. HR establishes a management plan only if made aware of nepotism.</p> <p>Condition: A comparative review of employee bank, dependent, address, and emergency contact information revealed two related individuals working in the Human Development & School Services department. While none are in direct lines of authority over one another, the relationships may raise concerns of perceived favoritism among staff, potentially impacting morale.</p> <p>Criteria: HOP ADM 04-206 <i>Recruitment and Hiring of Staff Employees</i></p> <p>Cause: Lack of university guidance and annual nepotism disclosure requirements are not in place.</p> <p>Effect: Even if there's no policy violation, perceived favoritism can be just as damaging as actual favoritism. To minimize potential influence, expectations around professionalism, fairness, and confidentiality should be reinforced.</p>	<p>I will remind our college leadership—including Associate Deans and Department Chairs Nov. 13, 2025. Additionally, I will communicate this information to staff during the upcoming meeting Nov. 11, 2025. We will check the system available (PeopleSoft / Banner) or question if we are unsure.</p> <p>Action Plan Owner: Dean College of Education and P-16 Integration</p> <p>Implementation Date: November 13, 2025</p>

3. Observation Detail	Management Action Plan
<p>Medium Employee Personnel Action Forms</p> <p>We selected 10 employee personnel action forms to review the following:</p> <ul style="list-style-type: none"> • Timely entered in HR Portal-reviewed proposed start date of assignment and creation date • Properly approved based on workflow approval process noting segregation of duties • Determine hierarchy of approval process (self-approvals and subordinate approvals in the process) • Appropriateness <p>Condition: We found two of three stipends totaling \$6,000 were not spent in accordance with authorized purpose.</p> <p>Criteria: Cost center purpose: FY 2019 Summer Incentive Allocation Human Development and School Services. Funds from this allocation shall be used for faculty development, faculty travel, initiatives to support the college, and/or department growth. Funds may not be used for operating expenses (i.e. copier, office supplies), additional compensation to faculty, or for faculty salaries. The Office of the EVPAA will provide each Dean with SCH information by department. The Dean will then allocate funds to departments and review usage of funds.</p> <p>Cause: Noncompliance with allowability purpose.</p> <p>Effect: Using stipends for unauthorized purpose can lead to compliance issues with funding or policy guidelines.</p>	<p>Because these funds are to be used for unbudget items and to serve support department/college initiatives. I have asked to update the cost center description as follows:</p> <p><i>Funds from this allocation shall be used for faculty development, faculty travel, initiatives to support the college, and/or department growth. Funds may not be used for operating expenses (i.e. copier, office supplies), additional compensation to faculty, or for faculty salaries unless these funds are intended to enhance academic quality and strategic priorities.</i></p> <p>This would allow the departments to use funds for stipends but they will have to be strictly to enhance academic quality and strategic priorities for department/college.</p> <p>Action Plan Owner: Dean College of Education and P-16 Integration</p> <p>Implementation Date: November 13, 2025</p>

4. Observation Detail	Management Action Plan
<p>Medium Operating Expenditures</p> <p>Entertainment and Official Functions We reviewed a sample of 77 expenditures, including six payroll disbursements, by reviewing supporting documentation for appropriateness, validity and approval.</p> <p>Condition: We identified an instance of unallowable expense related to meetings and events held with current employees. These expenses lacked sufficient supporting documentation to justify the charges. Specifically, materials such as email announcements, agendas, itineraries, and flyers were either missing or incomplete, making it difficult to determine the business purpose and appropriateness of the expenditures.</p> <p>Criteria: ADM 10-408 Entertainment and Official Functions</p> <p>3. Non-allowable Expenses: ...At least one non-UTRGV employee must be present at any business meeting as an attendee. For example, a luncheon with a prospective employee would qualify, but a luncheon between two current employees would not.</p> <p>Cause: Nonadherence to established university policies and procedures.</p> <p>Effect: Unallowable expenses can lead to reduced credibility and trust in financial stewardship</p>	<p>I have discussed in our staff meetings and we continue to remind the staff (monthly) that we need to ensure that there is proper documentation for any expenditure. That for any event we should have agendas, sign-in sheets, and description/purpose of event.</p> <p>Staff training on expenditure-I will remind the staff about supporting documentation.</p> <p>Prior to submission into workflow, all requisitions are reviewed by the Internal Financial Analyst and Accountant. They will also be asked to verify that all required documentation is properly attached.</p> <p>In addition, Financial Analyst and Accountant have created a teams group with our admins where they are sharing the processes and providing updates.</p> <p>Action Plan Owner: Dean College of Education and P-16 Integration</p> <p>Implementation Date: November 05, 2025</p>

5. Observation Detail	Management Action Plan
<p>Medium Official Functions</p> <p>Condition: We identified two instances flowers for decorative purposes were expensed.</p> <p>Criteria: ADM 10-408 Entertainment and Official Functions</p> <p>2. Official Functions: e. ... Flowers for decorative purposes may not be reimbursed or expensed unless purchased as a part of an official UTRGV business event.</p> <p>Cause: Nonadherence to established university policies and procedures.</p> <p>Effect: Non-compliance with ADM 10-408 Entertainment and Official Functions</p>	<p>I will make sure to inform our staff of this policy in our upcoming training.</p> <p>Action Plan Owner: Dean College of Education and P-16 Integration</p> <p>Implementation Date: November 11, 2025</p>

6. Observation Detail	Management Action Plan
<p>Medium Credit Card Travel</p> <p>Condition: We identified two instances where a credit card was used to cover travel meal expenses, resulting in charges that exceeded the allowable GSA per diem rate. Additionally, the supporting documentation was insufficient to fully substantiate the expense. (e.g., email announcements, agendas, itineraries, flyers, or conference materials)</p> <p>Criteria: Credit Card Program Manual</p> <p>How to Use the Credit Card The Credit Card is a MasterCard Credit Card centrally billed to the university...The Credit Card may not be used for the purchase of individual travel meal expenses.</p> <p>Cause: Nonadherence to established university policies and procedures.</p> <p>Effect: Non-compliance with credit card program</p>	<p>The credit card was removed from the faculty who made the expenditures. In our college, only department admins and dean have access to a credit card to try to minimize the misuse of credit card expenditures.</p> <p>Action Plan Owner: Dean College of Education and P-16 Integration</p> <p>Implementation Date: Implemented</p>

7. Observation Detail	Management Action Plan
<p>Medium Travel Authorization</p> <p>Condition: We identified a trip where travel request for business trip was not completed as required. Additionally, the supporting documentation was insufficient to fully substantiate the expense. (e.g., email announcements, agendas, itineraries, flyers, or conference materials)</p> <p>Criteria: Credit Card Program Manual</p> <p>Travel Authorization Prior to placing any travel related expenditures, UTRGV Credit Card holders must complete the Travel Request with all estimated expenses including university paid and reimbursable expenses for the business trip within Concur iTravel+ system.</p> <p>Cause: Nonadherence to established university policies and procedures.</p> <p>Effect: Non-compliance with credit card program and travel policy.</p>	<p>It has been announced in our monthly staff meetings, I also brought this up to our faculty during our August 2025 faculty meeting. They were advised that we need to ensure that travel is requested before the actual travel occurs and that proper documentation is needed (Agenda/Itinerary, receipts with proof of payment, etc).</p> <p>Our Financial Analyst and Accountant review the travel requests to ensure they are submitting timely. If for any reason they are being submitted after the fact, I have asked that they request a justification from the faculty as to why the request is being submitted after the travel occurred.</p> <p>In addition, Financial Analyst and Accountant have created a teams group with our admins where they are sharing the processes and providing updates.</p> <p>Action Plan Owner: Dean College of Education and P-16 Integration</p> <p>Implementation Date: August 2025</p>

8. Observation Detail	Management Action Plan						
<p>Medium Accounting Financial Reporting</p> <p>Condition: We obtained the monthly departmental financial reports and reconciliations for the months of January, May, and July 2025. Although a formal process exists for reconciling departmental accounting records with the institution's official records, we identified the following project had not been approved by project manager as of August 25, 2025.</p> <table border="1" data-bbox="239 578 808 644"> <thead> <tr> <th>Project</th> <th>Period</th> <th>Reconciliation Status</th> </tr> </thead> <tbody> <tr> <td>5100001521</td> <td>May</td> <td>Reconciled not Approved</td> </tr> </tbody> </table> <p>Criteria: UT System Administration Policy 142 (UTS 142) HOP Section ADM 10-703 Accounting Policy UTRGV Monitoring Plan</p> <p>Cause: Oversight by management was not conducted in a timely manner.</p> <p>Effect: Non-compliance with UTS 142, HOP Section ADM 10-703 Accounting Policy, and UTRGV Monitoring Plan.</p>	Project	Period	Reconciliation Status	5100001521	May	Reconciled not Approved	<p>Reminders are sent to the cost center/project managers as reminders to reconcile.</p> <p>Continue to send reminders to cost center/project managers to remind them of reconciliations and certification.</p> <p>Action Plan Owner: Dean College of Education and P-16 Integration</p> <p>Implementation Date: Ongoing</p>
Project	Period	Reconciliation Status					
5100001521	May	Reconciled not Approved					

9. Observation Detail	Management Action Plan
<p>Low Vendor Hold</p> <p>Condition: We identified two instances where there was no evidence that a vendor hold had been completed. The supporting documentation was insufficient to substantiate the expense. (e-mail announcement, agenda, itinerary, flyers, conference)</p> <p>Criteria: Credit Card Program Manual</p> <p>Purchases from Vendor on Warrant Hold Status with the State of Texas Per the Texas Administrative Code (34 TAC sec 5.57), state agencies are not allowed to do business with or make payments to entities that are on “warrant hold” (also called “credit hold” or “vendor hold”) with the State of Texas until the causing situation is resolved and the hold is lifted... if you wish to make a purchase of \$500 or more from a vendor based in the State of Texas, you are required to research your vendor’s hold status beforehand by using the Vendor Hold Search tool available in PeopleSoft. You must retain proof of the review with your records.</p> <p>Cause: Nonadherence to established university policies and procedures.</p> <p>Effect: Non-compliance with credit card program</p>	<p>Vendor hold searches aren’t included in the university’s training for credit card holders. But I’ll let our department’s cardholders know about the State Vendor Hold Search Tool that’s available in PeopleSoft.</p> <p>At our next meeting on November 11, 2025, I will show the department and office admin staff where to find the links. We’ll also ask them to check that the vendor isn’t on hold before making any purchases.</p> <p>In addition, Financial Analyst and Accountant have created a teams group with our admins where they are sharing the processes and providing updates.</p> <p>Action Plan Owner: Dean College of Education and P-16 Integration</p> <p>Implementation Date: November 11, 2025</p>

APPENDIX I

Risk Classifications and Definitions

Priority	High probability of occurrence that would significantly impact UT System and/or UT Rio Grande Valley. Reported to UT System Audit, Compliance, and Risk Management Committee (ACRMC). Priority findings reported to the ACRMC are defined as <i>“an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole.”</i>
High	Risks are considered substantially undesirable and pose a significant level of exposure to UT Rio Grande Valley operations. Without appropriate controls, the risk will happen on a consistent basis. Immediate action is required by management in order to address the noted concern and reduce exposure to the organization.
Medium	Risks are considered undesirable and could moderately expose UT Rio Grande Valley. Without appropriate controls, the risk will occur some of the time. Action is needed by management in order to address the noted concern and reduce the risk exposure to a more desirable level.
Low	Low probability of various risk factors occurring. Even with no controls, the exposure to UT Rio Grande Valley will be minimal. Action should be taken by management to address the noted concern and reduce risk exposure to the organization.

APPENDIX II

Methodology & Criteria

Methodology

We conducted this audit in conformance with the Institute of Internal Auditor’s Global Internal Audit Standards. Additionally, we conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit 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 findings and conclusions based on our audit objectives. The Office of Audits and Consulting Services is independent per both standards for internal auditors. These standards are also required by the Texas Internal Auditing Act.

Criteria

- HOP ADM 04-206 Recruitment and Hiring of Staff Employees
- UT System Rules and Regulations of the Board of Regents 30106 Nepotism
- HR Portal Manual
- Procurement Office Procedures
- HOP ADM 10-408 Entertainment and Official Functions
- Expense Resource Guide
- UTRGV Chart of Accounts
- Credit Card Program Manual
- UT System Administration Policy 142 (UTS 142)
- HOP Section ADM 10-703 Accounting Policy
- UTRGV Monitoring Plan

APPENDIX III

Report Distribution & Audit Team

Report Distribution

Dr. Alma D. Rodríguez, Dean College of Education and P-16 Integration
UTRGV Internal Audit Committee
UT System Audit Office
Governor's Office - Budget and Policy
State Auditor's Office
Legislative Budget Board

Audit Team

Eloy R. Alaniz, Jr., Chief Audit Officer
Norma Ramos, Director of Audits
Cecilia I. Sánchez, Senior Auditor