

# The Texas A&M University System Internal Audit Department



Monthly Audit Report  
November 20, 2024

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November 2024 Audit Tracking Report



System Internal Audit  
THE TEXAS A&M UNIVERSITY SYSTEM

# TEXAS A&M UNIVERSITY-SAN ANTONIO

  

## TUITION AND FEES

November 20, 2024

Charlie Hrncir, CPA  
Chief Auditor



## Overall Conclusion

Internal controls require significant improvement to ensure tuition and fees processes at Texas A&M University-San Antonio are operating as intended and in compliance with laws and policies. Significant improvements are needed in the areas of tuition set-asides, reconciliations for tuition and fee accounts, and student accounts receivable financial reporting. An opportunity for improvement was also noted in the area of student accounts receivable collection processes.

The university had 7,223 students enrolled in the fall semester of 2022. Fiscal year 2023 net tuition and fee revenue was approximately \$31.6 million which accounted for 66% of operating revenue.

Student Business Services and Accounting Services are responsible for tuition and fee-related activities, and both have experienced considerable turnover in the last two years. Four of the nine budgeted positions in Student Business Services are vacant, including the bursar position. Four of the five current employees in Student Business Services have been in their positions for approximately two years or less. Seven of the ten budgeted positions in Accounting Services are vacant, including the controller and assistant controller positions.

### Summary Table

Audit Areas	Controls Assessment
Tuition Set-Asides	Needs Significant Improvement
Tuition and Fee Account Reconciliations	Needs Significant Improvement
Student Accounts Receivable Financial Reporting	Needs Significant Improvement
Student Accounts Receivable Collection Processes	Needs Some Improvement
Student Billing	Effective – No Observations
Student Fee Advisory Committee	Effective – No Observations

Management concurred with the audit recommendations and indicated that implementation will occur by the end of August 2025.

## Detailed Results

### 1. Tuition Set-Asides

**Set-aside processes require significant improvement to ensure calculations are accurate, supported, and compliant with statutory requirements.**

Designated and statutory set-aside amounts reserved for financial assistance could not be verified. The university estimated amounts of \$1.1million and \$1 million for designated and statutory set-asides, respectively, for fiscal year 2023. Review of the calculations noted the following:

- The full tuition amount was not used in the set-aside calculation for designated tuition, resulting in a lower set-aside amount.
- Tuition adjustments for the designated and statutory calculations could not be tied to the accounting or student information systems.
- Year-end adjustments to reserve accounts could not be verified.

The university does not have written procedures addressing the calculations or the university's methodology, including programing in the student information system, budgeting for student aid, and year-end adjustments for reserves. Sufficient documentation was not maintained to support the calculations. In addition, the university has experienced considerable turnover in Accounting Services, the department responsible for set-asides. When calculations for set-aside amounts are not sufficiently documented and cannot be verified, the risk of noncompliance with statutory requirements is increased.

Texas Education Code Chapter 56 *Student Financial Assistance*, states that institutions of higher education shall set aside not less than 15% of tuition in excess of \$46 an hour for resident graduate and undergraduate designated tuition. For statutory tuition, not less than 15% of resident tuition and not less than 3% of non-resident tuition shall be set aside. The funds set aside shall be used to provide financial assistance to the applicable students enrolled in the institution.

#### Recommendation

Review processes for set-aside calculations to ensure compliance with the Texas Education Code. Develop written procedures and monitoring processes to ensure set-asides are performed in compliance with statute, calculated accurately, documented, and reviewed and approved.

### Management's Response

The following actions have been implemented or will be implemented to address this audit recommendation:

The university will assess set-aside calculation processes to identify areas for improvement. Based on determined processes, the university will develop comprehensive written procedures and staff training to include set-asides calculations and methodologies, collections procedures, budgeting for student aid, and year-end reserves adjustments. A regular monitoring process will be established to ensure ongoing compliance in this area. Since audit fieldwork was completed, the university has filled three positions in Student Business Services and is conducting interviews for four positions in Accounting Services. We plan to fully implement these actions by May 31, 2025.

## 2. Tuition and Fee Account Reconciliations

**Significant improvement is needed in internal controls for tuition and fee account reconciliations.** The university does not have a comprehensive list of tuition and fee accounts requiring reconciliation and could not readily determine if all required reconciliations are being performed. The university could not provide documentation for 3 of 5 (60%) reconciliations tested. For the remaining two reconciliations tested, there was no documentation that the reconciliations had been reviewed and approved.

The university has experienced a considerable turnover in Accounting Services, the department responsible for reconciliations. While Student Business Services is providing temporary assistance with some reconciliations, this department has also experienced considerable turnover. Without a comprehensive list of reconciliations, the university cannot say with certainty if all tuition and fee accounts have been identified, whether all accounts have been assigned to a responsible employee for reconciliation, or whether accounts are being reconciled.

A&M System Regulation 21.01.01, *Financial Accounting and Reporting* requires each member to comply with accounting standards and reporting requirements, including establishing and documenting a system of internal controls. Timely completion of reconciliations is an important internal control for the detection of errors, systemic problems, and fraud.

### Recommendation

Develop a comprehensive list of tuition and fee accounts requiring reconciliation and assign employees to prepare and review the reconciliations. Establish and document processes to monitor timelines of reconciliations.

### Management's Response

The university will develop a comprehensive list of tuition and fee accounts requiring reconciliations. Written procedures and monitoring processes will be developed to ensure reconciliations are performed in full statutory compliance, calculated and documented accurately, and reviewed/approved timely. Since audit fieldwork was completed, the university has filled three positions in Student Business Services and is conducting interviews for four positions in Accounting Services. We plan to fully implement these actions by May 31, 2025.

## 3. Student Accounts Receivable Financial Reporting

**Student accounts receivable accounting processes require significant improvement to ensure accurate financial reporting.** A&M-San Antonio's fiscal year 2023 student accounts receivable balance of \$12.1 million was misstated. After the completion of the fiscal year 2023 annual financial report, the university determined that a financial reporting entry had not been completed. The entry would have reduced the student accounts receivable balance to \$9.4 million.

However, the \$9.4 million does not accurately reflect the realizable value of the student accounts receivable. This is due to the fact that the university has not written off any uncollectible student accounts since the university was established in 2009. Additionally, the allowance for uncollectible student accounts does not appear sufficient to reflect that no student account write offs have occurred. The university's analysis to determine the allowance for uncollectible accounts does not agree to the student accounts receivable balance in the accounting system and sufficient documentation was not maintained to support amounts in the calculation.

The Committee of Sponsoring Organization's (COSO) Internal Control – Integrated Framework states quality information is necessary to carry out responsibilities. Without appropriate adjustments to accurately report student accounts receivable, the risk is increased that management may make decisions based on inaccurate financial information.

### Recommendation

Develop and document procedures and monitoring processes for student accounts receivable year-end financial reporting, including the calculation of the allowance for uncollectible accounts.

### Management's Response

The university will develop and document procedures and monitoring processes for student accounts receivable year-end financial reporting, including a standardized methodology for calculating the allowance for uncollectible accounts, to ensure an accurate balance. We plan to fully implement these actions by August 31, 2025.

## 4. Student Accounts Receivable Collection Processes

**Student accounts receivable collection processes require improvement to ensure compliance with A&M System and university requirements.** A review of a sample of past due student accounts identified the following:

- State warrant holds for 21 of 23 (91%) accounts were not placed timely, ranging from 52 to 205 days after delinquency.
- Financial holds for 5 of 23 (22%) accounts were not placed timely, ranging from 50 to 310 days after delinquency.
- Current processes for the timing and delivery method of demand letters vary from the university's written procedures.
- No uncollectible student accounts have been written off since the university was established in 2009.

Due to considerable turnover in Student Business Services, student accounts receivable processes are not being completed within the timelines outlined in the university's procedures. The risk of loss of university funds is increased without an effective and timely collection process over student accounts receivable.

A&M System Regulation 21.01.04, *Extension of Credit* requires that when debt is determined to be delinquent, members utilize the State Comptroller's warrant hold process to ensure payments are not issued to an entity with a debt to the state. The regulation also states that members are to utilize the Office of General Counsel to determine if delinquent accounts can be written off and outlines required account information to submit for review.

Recommendation

Update collection procedures and monitoring processes to reflect current processes and to ensure compliance with A&M System and university guidance. Review existing student accounts receivable and take appropriate action to include placing accounts on state and financial holds, and submitting uncollectible accounts for write-off, as needed.

Management's Response

The university will review existing student accounts receivable and take appropriate action to ensure accounts are on state and financial holds and uncollectible accounts are submitted for write-offs as needed. Collection procedures and monitoring processes will be updated to ensure receivables processes are in full compliance with A&M System guidance and A&M-San Antonio procedures and timelines. We plan to fully implement these actions by August 31, 2025.



## Basis of Audit

### Objective, Scope, & Methodology

The overall objective of this audit was to determine if internal controls over tuition and fees processes are operating as intended and in compliance with applicable laws and policies.

The audit focused on the following areas:

- Tuition set-asides
- Tuition and fee account reconciliations
- Student accounts receivable financial reporting
- Student accounts receivable collection processes
- Student billing
- Student fee advisory committee

The audit period was primarily September 1, 2022 through August 31, 2023. Fieldwork was conducted from May 2024 to August 2024.

Our audit methodology included interviews, observation of processes, review of documentation, and testing of data using sampling as follows:

<b>Audit Objective</b>	<b>Methodology</b>
<p><u>Tuition Set-Asides</u></p> <p>Determine whether tuition set-asides are accurate, comply with Texas Education Code requirements, and if funds are being monitored to transfer to the Texas Higher Education Coordinating Board (THECB), as applicable.</p>	<p>Auditors reviewed set-aside calculations for mathematical accuracy, requested supporting documentation, and reviewed applicable aid assistance accounts. Auditors reviewed the year-end assessment used to determine whether set-aside funds were required to be transferred to the THECB for accuracy.</p>
<p><u>Tuition and Fee Account Reconciliations</u></p> <p>Determine whether account reconciliations for tuition and fee accounts are completed timely and if outstanding items are reasonable.</p>	<p>Auditors requested a listing of tuition and fee account reconciliations. Auditors identified tuition and fee-related accounts and selected a sample of five accounts to review for timeliness of completion and approval, agreement</p>

Audit Objective	Methodology
	to supporting documentation, and clearing of outstanding items.
<p><u>Student Accounts Receivable Financial Reporting</u></p> <p>Determine whether student accounts receivable are reported accurately in the annual financial report.</p>	<p>Auditors reviewed financial accounts included in the fiscal year 2023 annual financial report balance of student accounts receivable as well as analysis for doubtful student accounts. Auditors inquired with management regarding the balance and annual entries and compared balances to other A&amp;M System institutions of similar size.</p>
<p><u>Student Accounts Receivable Collection Processes</u></p> <p>Determine whether student accounts receivable collection processes are in compliance with A&amp;M System and university requirements.</p>	<p>Auditors judgmentally selected a nonstatistical sample of past due student accounts. Auditors reviewed documentation of past due and demand letters, university holds, state warrant holds, and timing of referrals to the collection agency for compliance with university and A&amp;M System regulations. Auditors gained an understanding of student account write-off processes.</p>
<p><u>Student Billing</u></p> <p>Determine whether students are being billed accurately and completely pursuant to applicable tuition and fee plans.</p>	<p>Auditors judgmentally selected a nonstatistical sample of 30 students from a variety of billing cohorts. Student billing statements were reviewed to determine if charges agreed to the applicable tuition and fee plans.</p>
<p><u>Student Fee Advisory Committee</u></p> <p>Determine whether the university's Student Fee Advisory Committee is operating in compliance with required guidelines.</p>	<p>Auditors gained an understanding of Student Fee Advisory Committee processes. Auditors reviewed documentation to determine if the committee complied with Texas Education Code Chapter 54 <i>Tuition and Fees</i>, Subchapter A, <i>General Provisions</i>.</p>

### Controls Assessment Classification

Audit areas highlighted in red in the Summary Table are considered to have significant weaknesses in internal controls. Significant weaknesses include errors, deficiencies, or conditions which result in one or more violations of internal controls, laws, A&M System policies, or member rules. These violations have a high probability for legal consequences, financial consequences, or negative impacts to the organization's reputation. These are situations in which a CEO, provost, vice president, dean, or director need to be involved in the problem resolution.

Audit areas highlighted in yellow in the Summary Table are considered to have notable weaknesses in internal controls. Notable weaknesses include errors, deficiencies or conditions which result in minor to moderate noncompliance with internal controls, laws, A&M System policies, or member rules. These are situations which can and should be corrected at the department or supervisor level.

Audit areas highlighted in green in the Summary Table are considered to have effective internal controls.

Items that were not significant or notable were communicated to management during the course of the audit.

## Criteria

Our audit was based upon standards as set forth in the following:

- Texas A&M University System Policies and Regulations
- Texas A&M University-San Antonio Rules and Procedures
- Texas Administrative Code
- Texas Government Code
- Texas Education Code
- Other sound administrative practices

The audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted the audit in accordance with generally accepted government auditing standards (GAGAS). 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 our findings and conclusions based on our audit objectives. The Office of Internal Audit is independent per the GAGAS standards for internal auditors.

## **Audit Team**

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System Internal Audit

**THE TEXAS A&M UNIVERSITY SYSTEM**

**TEXAS A&M AGRILIFE, TEXAS A&M  
AGRILIFE EXTENSION SERVICE, AND  
TEXAS A&M VETERINARY MEDICAL  
DIAGNOSTIC LABORATORY**

**FINANCIAL MANAGEMENT SERVICES**

**November 20, 2024**

**Charlie Hrcir, CPA  
Chief Auditor**



## Overall Conclusion

Internal controls over financial management services at Texas A&M AgriLife Research, Texas A&M AgriLife Extension Service, and Texas A&M Veterinary Medical Diagnostic Laboratory (AgriLife) are operating as intended and in compliance with applicable laws and policies. An opportunity for improvement was noted in the area of payment card approver training.

The agencies had \$440 million in operating expenses during fiscal year 2023 and 94 financial accounts that were being reconciled at the time of audit testing. In addition, there were 1,022 active payment card accounts with transactions totaling \$13.9 million during the audit period.

### Summary Table

Audit Areas	Controls Assessment
Payment Card - Approver Training	Needs Some Improvement
Account Reconciliations	Effective – No Observations
Payment Card - Administration	Effective – No Observations
Payment Card - Business Meal and Alcohol Purchases	Effective – No Observations
Payment Card - Cardholder Training	Effective – No Observations
Payment Card - Gift Card Purchases	Effective – No Observations
Payment Card - Online Payment System Purchases	Effective – No Observations
Payment Card – Oversight Monitoring	Effective – No Observations

Management concurred with the audit recommendation and indicated that implementation will occur by the end of December 2024.

## Detailed Results

### Payment Card – Approver Training

**Improvement is needed to ensure employees reviewing and approving payment card transactions complete required approver training.** Twenty-one of 192 (11%) employees responsible for reviewing and approving payment card transactions did not complete the required approver training by the stated due date. Five of these employees were assigned the training and had not completed it and two employees had not been assigned the training. Fourteen employees completed the training an average of 25 days after the stated due date. Monitoring processes require improvement to better ensure approvers complete required training.

#### Recommendation

Ensure approvers identified above complete required approver training. Increase monitoring of the assignment and completion of approver training by all employees responsible for reviewing and approving payment card transactions.

#### Management’s Response

TrainTraq Course, “Disbursement of Funds - Approver Class” (Course 2114609), is a new System training that went live on May 16, 2024. A&M System Offices of Budget and Accounting worked with Texas A&M University Financial Management Operations to pull employee lists that were to be assigned the training. A&M System Offices launched these training courses in TrainTraq on the members’ behalf.

When this audit work began, approximately five months had elapsed since the training was assigned. AgriLife had not added this course to its process for notifying employees of any delinquent training, since we did not assign it. AgriLife will take steps to add this course to its monthly processes and ensure employees who are past due complete the training.

AgriLife has already implemented processes to ensure any new employees responsible for approving documents will be assigned this training. Every two years, AgriLife will be responsible for re-enrolling all approvers by pulling all active approvers from FAMIS and AggieBuy. This will coincide with the beginning of the fiscal year. The next reassignment will be September 1, 2026. We will opt out of the process that was used initially to launch this training.

Management expects these processes to be implemented by December 31, 2024.



# Basis of Audit

## Objective, Scope, & Methodology

The overall objective of this audit was to determine if internal controls over financial management services at Texas A&M AgriLife Research, Texas A&M AgriLife Extension Service, and Texas A&M Veterinary Medical Diagnostic Laboratory are operating as intended and in compliance with applicable laws and policies.

The audit focused on the following areas:

- Payment card - approver training
- Account reconciliations
- Payment card - administration
- Payment card - business meal and alcohol purchases
- Payment card – cardholder training
- Payment card - gift card purchases
- Payment card - online payment system purchases
- Payment card – oversight monitoring

The audit period was primarily from June 1, 2023 to May 31, 2024. Fieldwork was conducted from July 2024 to September 2024.

Our audit methodology included interviews, observation of processes, review of documentation and testing of data using sampling as follows:

<b>Audit Objective</b>	<b>Methodology</b>
<u>Payment Card - Approver Training</u> Determine if payment card approvers completed training in accordance with requirements.	For the population of employees responsible for reviewing and approving payment card transactions, the auditor reviewed training records to determine if payment card approver training had been completed as required.
<u>Account Reconciliations</u> Determine if account reconciliations are completed timely and	Auditors used professional judgment to select a nonstatistical sample of 16 account reconciliations based upon magnitude and risk. Account reconciliations and supporting

<b>Audit Objective</b>	<b>Methodology</b>
outstanding items are being properly addressed.	documentation were obtained and reviewed for accuracy and completeness, timely completion, proper approvals, and resolution of outstanding items.
<u>Payment Card - Administration</u>  Determine if payment card accounts have been closed for terminated employees.	For the population of terminated employees that had payment cards, account information was reviewed to confirm the cardholder's account had been closed.
<u>Payment Card - Business Meal and Alcohol Purchases</u>  Determine if business meal and alcohol purchases are properly documented and approved.	Auditors used professional judgment to select a nonstatistical sample of 62 business meal purchases and 16 alcohol purchases made using a payment card and reviewed supporting documentation and approvals for compliance with requirements.
<u>Payment Card - Cardholder Training</u>  Determine if payment cardholders completed training in accordance with requirements.	For the population of cardholders, the auditor reviewed training records to determine if payment card training had been completed as required.
<u>Payment Card - Gift Card Purchases</u>  Determine if gift card purchases are properly documented and approved.	Auditors used professional judgment to select a nonstatistical sample of 30 gift card purchases made using a payment card and reviewed supporting documentation and approvals for compliance with requirements.
<u>Payment Card - Online Payment System Purchases</u>  Determine if transactions paid through select online payment systems are in compliance with purchasing requirements.	Auditors used professional judgment to select a nonstatistical sample of 100 payment card purchases made using online payment systems such as PayPal and reviewed supporting documentation for compliance with purchasing requirements.

Audit Objective	Methodology
<p><u>Payment Card – Oversight Monitoring</u></p> <p>Determine if effective monitoring and oversight processes are in place for payment card transactions.</p>	<p>Auditors reviewed selected payment card transactions flagged as exceptions by the agency’s Oversight system to ensure exceptions identified were properly reviewed and resolved in a timely manner.</p>

Controls Assessment Classification

Audit areas highlighted in red in the Summary Table are considered to have significant weaknesses in internal controls. Significant weaknesses include errors, deficiencies, or conditions which result in one or more violations of internal controls, laws, A&M System policies, or member rules. These violations have a high probability for legal consequences, financial consequences, or negative impacts to the organization’s reputation. These are situations in which a CEO, provost, vice president, dean, or director need to be involved in the problem resolution.

Audit areas highlighted in yellow in the Summary Table are considered to have notable weaknesses in internal controls. Notable weaknesses include errors, deficiencies or conditions which result in minor to moderate noncompliance with internal controls, laws, A&M System policies, or member rules. These are situations which can and should be corrected at the department or supervisor level.

Audit areas highlighted in green in the Summary Table are considered to have effective internal controls.

Items that were not significant or notable were communicated to management during the course of the audit.

## Criteria

Our audit was based upon standards as set forth in the following:

- Texas A&M University System Policies and Regulations
- Texas A&M AgriLife Research Rules and Procedures
- Texas A&M AgriLife Extension Service Rules and Procedures
- Texas A&M Veterinary Medical Diagnostic Laboratory Rules and Procedures
- Texas A&M AgriLife Payment Card Program Guide
- Other sound administrative practices

The audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted the audit in accordance with generally accepted government auditing standards (GAGAS). 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 our findings and conclusions based on our audit objectives. The Office of Internal Audit is independent per the GAGAS standards for internal auditors.

## **Audit Team**

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System Internal Audit  
THE TEXAS A&M UNIVERSITY SYSTEM

# TEXAS DIVISION OF EMERGENCY MANAGEMENT

## STATE DISASTER REIMBURSEMENT

November 20, 2024

Charlie Hrcir, CPA  
Chief Auditor



## Overall Conclusion

Internal controls over state disaster reimbursement at the Texas Division of Emergency Management are operating as intended and in compliance with applicable laws and policies.

The State Disaster Reimbursement Section (SDRS) of the Texas Division of Emergency Management (TDEM) ensures disaster reimbursement claims from local responding entities, state agencies, and other entities comply with the Texas Emergency Management Government Codes and other requirements and are processed timely.

SDRS reimbursed deployment costs totaling \$40,986,609 for state-assigned mutual aid missions during the audit period. Other state-declared disaster requests for reimbursement including Border Support totaled \$32,985,581.

TDEM uses the Grant Management System (GMS) software as a project management and financial tool for expense reimbursements. There are over 4,800 applicants and almost 700 internal users in the GMS.

### Summary Table

Audit Areas	Controls Assessment
Expenditures - State Disaster Reimbursement Requests	Effective – No Observations
GMS - Identity and Account Management	Effective – No Observations
GMS - Integrity and Accuracy of State Disaster Reimbursement Requests	Effective – No Observations
GMS - User Access Training	Effective – No Observations
State Disaster Reimbursement Employee Training	Effective – No Observations

## Basis of Audit

### Objective, Scope, & Methodology

The overall objective of this audit was to determine if selected internal controls over state disaster reimbursement at the Texas Division of Emergency Management are in place to ensure compliance with applicable laws and policies.

The audit focused on the following areas:

- Expenditures - state disaster reimbursement requests
- GMS - identity and account management
- GMS - integrity and accuracy of state disaster reimbursement requests
- GMS - user access training
- State Disaster Reimbursement employee training

The audit period was primarily from April 1, 2023 to May 31, 2024. Fieldwork was conducted from July 2024 to September 2024.

Our audit methodology included interviews, observation of processes, review of documentation and testing of data using sampling as follows:

Audit Objective	Methodology
<p><u>Expenditures - State Disaster Reimbursement Requests</u></p> <p>Determine whether expenditures are reimbursed by State Disaster Reimbursement in compliance with State and Federal laws, mutual aid contracts, and agreed-upon budgets, and TDEM policy and procedures.</p>	<p>Auditors used professional judgment to select a nonstatistical sample of expenditures from the requests for reimbursement data based on magnitude and risk. Supporting documentation required for compliance review was examined to determine if expenditures were reviewed for eligibility in compliance with State Emergency Management Government codes and TDEM policy and procedures.</p>
<p><u>GMS - Identity and Account Management</u></p> <p>Determine whether processes are in place for granting new users access to</p>	<p>Auditors obtained a list of enabled users in the GMS during the audit period. Auditors used professional judgment to select a nonstatistical sample of users to determine if the</p>



Audit Objective	Methodology
<p>the Grant Management System (GMS), modifying existing access when appropriate, and removing access when a business need no longer exists.</p>	<p>access enabled was properly documented and approved.</p> <p>Auditors obtained a list of users whose access was removed from the GMS during the audit period. Auditors judgmentally selected a nonstatistical sample of external and internal users during the audit period to determine if the access removal was performed timely and as intended.</p> <p>Auditors requested documentation of the most recent user access review. Auditors used professional judgment to select a nonstatistical sample of internal users to determine if the users reviewed had a business purpose for these accounts to exist and had been accessed within the last six months. In addition, auditors tested that the controls for mitigating the risk of not performing external user access reviews were in place and operating as intended.</p>
<p><u>GMS - Integrity and Accuracy of State Disaster Reimbursement Requests</u></p> <p>Determine whether the controls in place ensure the integrity and accuracy of the state disaster reimbursement information in the GMS.</p>	<p>Auditors reviewed system reports, agency policies, and procedures to determine if controls were in place to ensure the quality, consistency, and reliability of data. Auditors used professional judgment to select a nonstatistical sample of requests for reimbursement (RFRs) based on risk factors and population size. GMS workflow steps for the sample RFRs were reviewed to determine if the monitoring and approval workflows in the GMS are approved timely and being performed as expected. Auditors also</p>

Audit Objective	Methodology
	requested and reviewed documentation to test the FAMIS/GMS interfaces.
<p><u>GMS - User Access Training</u></p> <p>Determine whether training was completed timely for new users accessing the GMS.</p>	<p>Auditors reviewed training procedures and content to gain an understanding of GMS training for users. Auditors obtained a list of training sessions, materials used, and types of assistance provided to users to determine if training is adequate.</p>
<p><u>State Disaster Reimbursement Employee Training</u></p> <p>Determine whether the required training for SDRS personnel was completed as required by state law, system regulation, and TDEM rules and procedures.</p>	<p>Auditors reviewed regulations, rules, and procedures to identify required training for State Disaster Reimbursements Section employees.</p> <p>Auditors reviewed employee training records in TrainTraQ to determine if required training was assigned and completed timely.</p>

Controls Assessment Classification

Audit areas highlighted in red in the Summary Table are considered to have significant weaknesses in internal controls. Significant weaknesses include errors, deficiencies, or conditions which result in one or more violations of internal controls, laws, A&M System policies, or member rules. These violations have a high probability for legal consequences, financial consequences, or negative impacts to the organization’s reputation. These are situations in which a CEO, provost, vice president, dean, or director need to be involved in the problem resolution.

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Audit areas highlighted in green in the Summary Table are considered to have effective internal controls.

Items that were not significant or notable were communicated to management during the course of the audit.

### Criteria

Our audit was based upon standards as set forth in the following:

- Texas A&M University System Policies and Regulations
- Applicable Texas Government Codes
- Texas Division of Emergency Management Rules and Administrative Procedures
- Other sound administrative practices

The audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted the audit in accordance with generally accepted government auditing standards (GAGAS). 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 our findings and conclusions based on our audit objectives. The Office of Internal Audit is independent per the GAGAS standards for internal auditors.

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System Internal Audit  
**THE TEXAS A&M UNIVERSITY SYSTEM**

# **NOVEMBER 2024 AUDIT TRACKING REPORT**

**November 20, 2024**

**Charlie Hrcir, CPA  
Chief Auditor**

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### November 2024 Audit Tracking Report

Member	Audit Title	Report Date	Original Number of Recommendations	Significant Recommendations Outstanding	Notable Recommendations Outstanding
PVAMU	Payroll	July 2023	2	1	0
Texas A&M Health	Academic and Research Information Technology	January 2024	11	9	1
PVAMU	Health and Counseling Services	June 2024	5	1	4
Texas A&M	Payment Cards	October 2024	4	1	3
Tarleton State	Health and Safety	October 2024	11	10	1
A&M-Texarkana	Information Technology	October 2024	5	1	4
Texas A&M	Health and Safety	November 2023	6	0	3
Texas A&M	Export Controls	April 2024	1	0	1
A&M-Central Texas	Information Technology	April 2024	2	0	2
A&M System	Major Construction and Private Development Processes	May 2024	5	0	4
TAMUK	Tuition and Fees	September 2024	1	0	1
TEES	Engineering Payroll	September 2024	2	0	2
PVAMU	Tuition and Fees	October 2024	1	0	1
A&M-Texarkana	Financial Management Services	October 2024	1	0	1
A&M-San Antonio	Information Technology	October 2024	2	0	1
<b>A&amp;M System Total</b>			<b>59</b>	<b>23</b>	<b>29</b>