UNIVERSITY OF HOUSTON SYSTEM

INTERNAL AUDIT REPORT

UNIVERSITY OF HOUSTON-DOWNTOWN

COLLEGE OF PUBLIC SERVICE DEPARTMENTAL REVIEW

REPORT NO. AR2018-19

UNIVERSITY OF HOUSTON SYSTEM
Internal Auditing Department
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MEMORANDUM

TO: Mr. Peter Taaffe
Chair, Audit and Compliance Committee

Dr. Renu Khator
Chancellor/President, UHS/UH

FROM: Don F. Guyton
Chief Audit Executive

DATE: May 7, 2018

SUBJ: Internal Audit Report – UHD College of Public Service, Departmental Review

I have attached for your review the final draft of the above referenced internal audit report. This report has been distributed to/discussed with key personnel of the University of Houston-Downtown and University of Houston System. This report is summarized as follows:

Executive Summary:

The objective of the Departmental Review is to determine whether departments are conducting financial and administrative activities in compliance with university policies. We performed one departmental review in the College of Public Service. We conducted interviews, reviewed documentation, and performed other audit procedures, as necessary, in testing compliance with various policies for each compliance area. We noted no matters that we considered to be significant risk exposures and control issues. We noted that the College was not in compliance with certain policies. Management informed us that it would take the necessary actions in order to help prevent reoccurrences of similar instances of non-compliance with university policies.

This audit report is scheduled to be included in the agenda materials for the May 24, 2018, meeting of the Audit and Compliance Committee of the Board of Regents. Please let me know if you have any questions.

Attachment

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

UNIVERSITY OF HOUSTON-DOWNTOWN
COLLEGE OF PUBLIC SERVICE
DEPARTMENTAL REVIEW

The objective of the Departmental Review is to determine whether departments are conducting financial and administrative activities in compliance with university policies. We performed one departmental review in the College of Public Service. We conducted interviews, reviewed documentation, and performed other audit procedures, as necessary, in testing compliance with various policies for each compliance area. We noted no matters that we considered to be significant risk exposures and control issues. We noted that the College was not in compliance with certain policies. Management informed us that it would take the necessary actions in order to help prevent reoccurrences of similar instances of non-compliance with university policies.

The attachments listed below contain additional information related to the departmental review and the College:

- Compliance Matrix
- Action Plan
- Instances of Non-Compliance
- Background
- Financial Summary

Don F. Guyton
Chief Audit Executive
March 30, 2018

University of Houston System
Internal Auditing Department

University of Houston-Downtown
College of Public Service
Departmental Review

COMPLIANCE MATRIX	
Compliance Area	
Management Oversight	✓
Policies, Procedures, Required Training, and Reporting	✓
Cost Center Management	**(3)**
Payroll	**(3)**
Human Resources	✓
Change Funds and Cash Receipts	**(1)**
Procurement Cards	**(1)**
Departmental Expenses	✓
Contract Administration	✓
Property Management	✓
Scholarships	✓
Research	✓

✓ **Fully Complies**
Θ Opportunity for Improvement
( ) Number of Instances of Non-Compliance
N/A Not Applicable

University of Houston System
Internal Auditing Department

UHD College of Public Service - AR2018-19
Action Plan

Est. Compl. Date	Responsibility for Action Name/Title	Action To Be Taken
Risk Level:	**High**	**Medium** **Low**
July 31, 2018	Stephen Quander College Business Administrator College of Public Service	Prepare and approve cost center verifications in a timely manner and maintain adequate documentation.
July 31, 2018	Stephen Quander College Business Administrator College of Public Service	Determine how the available funds can be used and/or deactivate the inactive cost centers.

Note: Supporting documentation for actions implemented or updated management's responses for actions partially or not implemented should be furnished to the Internal Auditing Department by the estimated completion date.

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

UNIVERSITY OF HOUSTON-DOWNTOWN
COLLEGE OF PUBLIC SERVICE
DEPARTMENTAL REVIEW
INSTANCES OF NON-COMPLIANCE

We brought the following instances of non-compliance to management's attention in order that it could take appropriate action. We recommended and management agreed to implement an action plan to address the areas of non-compliance indicated by an asterisk below. In addition, management informed us that it would take the necessary actions in order to help prevent reoccurrences of similar instances of non-compliance with university policies.

Cost Center Management

- Cost center verifications were not always prepared and approved timely.*
- Cost center verification documentation was not always maintained.*
- Inactive cost centers were not deactivated.*

Payroll

- Hours worked by a non-exempt employee were not approved timely.
- Vacation hours for a non-exempt employee were not approved timely.
- Payroll verification reports were not adequately reviewed.

Change Funds and Cash Receipts

- A Gift Transmittal Form was not completed timely.

Procurement Cards

- Business meal attendees were not adequately documented.

University of Houston System
Internal Auditing Department

University of Houston-Downtown
College of Public Service
Background Information

Background Provided by the College:

Created in 2003, the College of Public Service is a community-based center for higher learning dedicated to preparing students to enter professional careers in criminal justice, social work and education. Graduate degrees, concentrations, and/or certificates in criminal justice and education enable students to advance, transform, or re-envision their professional lives. We believe through public service, an educated society creates thoughtful policies and practices to improve the lives of diverse populations. Our students engage in dynamic research designed to enhance the quality of schools and social and justice institutions to instill scholarship, integrity and responsibility in tomorrow's leaders.

Within the College of Public Service there are two academic departments. The Department of Criminal Justice and Social Work offers bachelor's degrees in criminal justice and social work and a master's degree in criminal justice. The Department of Urban Education offers bachelor's and master's degrees with concentrations in critical needs and content areas. The College of Public Service includes two centers:

- The Center for Public Service and Community Research (CPSCR) initiates and develops collaborative partnerships with the community, participates in active engagement and mutually beneficial problem solving, advocates and effects positive change, and facilitates community-based research. During the time our students are with us and long after, they gain knowledge about theory, practice, and policy through hands-on community-based service. They learn to recognize and validate the resources that are already in place in the community and then work to build upon those assets, using the knowledge they have gained in their representative academic disciplines. The CPSCR supports the growth of students, faculty, and staff through our authentic, academic and profession-based high impact experiences in community engagement, service learning, and community-based research.

- The UHD-Criminal Justice Training Center Law Enforcement Academy provides training and educational opportunities outside the academic curriculum. The Basic Peace Officer Training Academy provides students with preparatory training in the law enforcement profession for certification as a basic peace officer in the state of Texas. The program is dedicated to training excellence through rigorous coursework followed by practical application exercises. Programs offered include:

    - Basic peace officer training
    - Continuing education courses
    - Review courses for state licensing for Texas peace officers

UHD's College of Public Service strives to engage faculty and students in progressive learning experiences, community service, and research to improve the quality of our schools and social and justice institutions. Some indicators of our progress toward this goal are:

- Faculty serve as Special Issue Editors, Associate Editors, and Book Review Editors for the online *Journal of Family Strengths*, a collaborative effort of the Texas Medical Center, Children at Risk, and UHD College of Public Service.

- Faculty in the Department of Criminal Justice and Social Work partner with the Harris County District Attorney to convene the Innovation in Criminal Justice Symposium resulting in a publication of the panel sessions and plenary address.

- Faculty and students in the Department of Urban Education partner with the National Aeronautics and Space Administration (NASA) and the International Space Station to explore innovative ways of teaching science in zero gravity.

- Criminal Justice and Urban Education faculty team up in UHD service learning courses to provide after school programs to middle and high school students in the Fifth Ward Enrichment Program.

- Faculty in Social Work design a Spanish-track degree program for UHD students and provide assistance to local social agencies with a Spanish-speaking social worker and student interns to assist clients.

- The Center for Public Service and Community Research hosts *vitalvoices*, a speaker series bringing scholars and practitioners working in the fields of criminal justice, social work, and urban education to interact with students, faculty, alumni, and community partners at UHD's College of Public Service. In 2017, building on the success of our *vitalvoices* series, we added *vitalalumni*, a series featuring recent and long-time alumni sharing challenges and successes in the professions of criminal justice, social work, and urban education.

Budget/Financial Summary:

During fiscal year 2018, with a faculty of 48 FTE and a staff of 66 FTE, the College administered 177 cost centers with an overall operating budget of $10,619,936.

The following table presents the fund balance reconciliation for the College for FY 2017:

Beginning Fund Balance (9/1/2016)	$ 2,043,191
Revenues	1,468,534
Expenditures	(8,587,222)
Transfers/Other	7,019,391
Ending Balance (8/31/2017)	$ 1,943,894

UNIVERSITY OF HOUSTON-DOWNTOWN
COLLEGE OF PUBLIC SERVICE
SUMMARY OF REVENUES AND EXPENDITURES

Description	FY 2017	FY 2016
Revenue		
Endowment Income Distribution	$ (119,063)	$ (118,205)
Federal Grants and Contracts	(328,137)	(70,467)
Federal Pass Through Grants - State	(143,138)	(273,458)
Grants and Contracts	0	(2,853)
Other Fees	(20,203)	(17,103)
Private Gifts, Grants and Contracts	(116,162)	(198,155)
Sales and Services - Education and General	(741,831)	(736,447)
Total Revenue	$ (1,468,534)	$ (1,416,688)
Cost of Goods Sold		
Cost of Goods Sold	$ 0	$ 0
Total Cost of Goods Sold	$ 0	$ 0
Payroll		
Salaries and Wages	$ 6,555,875	$ 5,985,065
Fringe Benefits	962,517	514,541
Total Payroll	$ 7,518,392	$ 6,499,606
Maintenance and Operations		
Academic Service	$ 4,044	$ 675
Advertising Promotion and Public	57,182	44,399
Communication and Transportation	25,307	20,623
Contracting of Services	214,224	267,868
Employee Expenses	47,309	30,129
Financial Aid	221,670	244,936
Financial Tax and License Cost	2,264	3,327
General Services	4,371	7,940
General Supplies	116,566	83,924
Indirect Cost	0	3,833
Legal Services	28,527	0
Miscellaneous Supplies and Material	64,366	67,123
Other Recurring Expenses	85,048	35,671
Parts and Furnishing	23,858	126,431
Printing, Copying and Reproduction	12,019	8,666
Professional Services	1,008	1,226
Rental Lease and Royalties	22,598	25,519
Routine Repair	8,625	0
Special Program and Events	8,773	10,591
Travel Expense	113,541	86,087
Utilities and Sanitation	230	0
Total Maintenance and Operations	$ 1,061,530	$ 1,068,968
Capital Outlay		
Capital Outlay	$ 7,300	$ 0
Total Capital Outlay	$ 7,300	$ 0
Total Cost of Goods Sold, Payroll, M&O and Capital Outlay	$ 8,587,222	$ 7,568,574