UNIVERSITY OF HOUSTON SYSTEM

INTERNAL AUDIT REPORT

UNIVERSITY OF HOUSTON-DOWNTOWN

COLLEGE OF HUMANITIES AND SOCIAL SCIENCES, DEPARTMENTAL REVIEWS

REPORT NO. AR2018-23

UNIVERSITY OF HOUSTON SYSTEM
Internal Auditing Department
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MEMORANDUM

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

Dr. Renu Khator
Chancellor/President, UHS/UH

FROM: Don F. Guyton
Chief Audit Executive

DATE: August 8, 2018

SUBJ: Internal Audit Report – UHD College of Humanities and Social Sciences, Departmental Reviews

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 four departmental reviews in the College of Humanities and Social Sciences. 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 agreed to implement action plans for certain areas of non-compliance and 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 August 23, 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 HUMANITIES AND SOCIAL SCIENCES
DEPARTMENTAL REVIEWS

The objective of the Departmental Review is to determine whether departments are conducting financial and administrative activities in compliance with university policies. We performed four departmental reviews in the College of Humanities and Social Sciences. 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 agreed to implement action plans for certain areas of non-compliance and 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 reviews and the College:

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

Don F. Guyton
Chief Audit Executive
June 29, 2018

University of Houston System
Internal Auditing Department

University of Houston-Downtown
College of Humanities and Social Sciences
Departmental Reviews

COMPLIANCE MATRIX				
Compliance Area	**Dean's Office**	**Arts and Communication, Humanities, and O'Kane Gallery**	**English**	**Social Sciences**
Management Oversight	✓	✓	✓	✓
Policies, Procedures, Required Training, And Reporting	✓	✓	✓	✓
Cost Center Management	**(2)**	**(2)**	✓	✓
Payroll	✓	✓	✓	**(1)**
Human Resources	✓	✓	✓	✓
Change Funds And Cash Receipts	✓	✓	✓	✓
Procurement Cards	✓	✓	✓	✓
Departmental Expenses	✓	✓	✓	✓
Contract Administration	✓	✓	✓	✓
Property Management	✓	✓	✓	✓
Scholarships	✓	**N/A**	**N/A**	**N/A**
Research	✓	**(1)**	**N/A**	**(1)**

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

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

UNIVERSITY OF HOUSTON-DOWNTOWN
COLLEGE OF HUMANITIES AND SOCIAL SCIENCES
DEPARTMENTAL REVIEWS
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 action plans 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.

DEAN'S OFFICE

Cost Center Management

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

ARTS AND COMMUNICATION, HUMANITIES, AND O'KANE GALLERY

Cost Center Management

- Cost center verifications were not always prepared and approved timely.*
- An inactive cost center was not deactivated.*

Research

- An expired grant cost center was not deactivated.

SOCIAL SCIENCES

Payroll

- A payroll suspense balance was not cleared timely.

Research

- Expired grant cost centers were not deactivated.*

University of Houston System
Internal Auditing Department

UHD College of Humanities and Social Sciences, Departmental Reviews - AR2018-23
Action Plan

Est. Compl. Date	Responsibility for Action Name/Title	Action To Be Taken
Risk Level: High Medium Low		
October 9, 2018	Shandra Robertson College Business Administrator College of Humanities and Social Sciences	Prepare and approve cost center verifications in a timely manner. (Dean's Office)
January 31, 2019	Shandra Robertson College Business Administrator College of Humanities and Social Sciences	Submit requests to the appropriate office to deactivate inactive cost centers. (Dean's Office)
October 9, 2018	Shandra Robertson College Business Administrator College of Humanities and Social Sciences	Prepare and approve cost center verifications in a timely manner. (Arts and Communication, Humanities, and O'Kane Gallery)
October 9, 2018	Shandra Robertson College Business Administrator College of Humanities and Social Sciences	Submit request to the appropriate office to deactivate inactive cost center. (Arts and Communication, Humanities, and O'Kane Gallery)
October 9, 2018	Eileen Serban Department Business Administrator Social Sciences	Submit request to the appropriate office to deactivate expired grant cost center.

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 Humanities and Social Sciences
Background Information

Background Provided by the College:

The College of Humanities and Social Sciences (CHSS) offers degrees in traditional liberal arts disciplines and interdisciplinary studies and in select applied programs that serve important needs in the university's employment and educational market. CHSS also promotes the wider mission of the university by (1) supporting general education and the core curriculum components of all UHD degree programs; (2) introducing students to the intellectual underpinning of a college education; (3) staffing the Writing and Reading Center in the university's Academic Support Center; and (4) offering discipline-based courses in support of graduate degrees in Non-Profit Management, Rhetoric and Composition, and Technical Communication.

The four departments in CHSS are Arts and Communication (including Art, Music, Drama, and Communication Studies); English (including Creative Writing, Film Studies, English Education, Literary Studies, and Technical Communication), History, Humanities and Languages (including History, Humanities, Philosophy, Spanish, and other foreign languages) and Social Sciences (including Anthropology, Political Science, Psychology, Health and Behavioral Sciences, and Sociology). Based on end-of-term data from the Fall 2017 semester, there were 2,218 declared majors in CHSS, which constitutes about 16 percent of all students enrolled at UHD (including non-declared students). In that same semester, CHSS taught 47,562 semester credit hours, which represents 36 percent of UHD's total (132,712). One half of UHD's lower division courses and 27 percent of upper division courses were taught in CHSS. UHD awarded 545 students with a CHSS degree during the 2016-2017 academic year.

At present, CHSS houses seventeen degree programs: fourteen baccalaureate degrees and three master's degrees. Special facilities and programs in the College include the Center for Critical Race Studies, Institute for Plain English Research and Study, Center for Public Deliberation, Cultural Enrichment Center, Center for Latino Studies, O'Kane Gallery, and O'Kane Theatre. New initiatives put forth during the 2016-2017 academic year include:

- **CHSS Reorganization**. Reorganized the College from three administrative units to four units to accommodate the growth in students, faculty and the development of academic programs, and to create synergistic opportunities for collaboration and interdisciplinary research and teaching. Reorganization required working through shared governance processes and addressed disciplinary alignment, representation and efficiency needs.

- **Established BS in Health and Behavioral Sciences (HEA).** Health and Behavioral

Sciences is an interdisciplinary undergraduate program that includes coursework from psychology, communications, sociology, biology and philosophy. The program enrolled over 80 majors in its first year.

- **Planned and hosted the Scholar in Residence, Tim Wise, for the Center for Critical Race Studies (CCRS).** Tim Wise is among the nation's most prominent antiracist essayists and educators and has spent the past 25 years speaking to audiences in all 50 states, on over 1,000 college and high school campuses, at hundreds of professional and academic conferences, and to community groups across the nation and internationally in Canada and Bermuda. Wise was the fourth scholar in residence for CCRS.

- **Study Abroad.** CHSS faculty planned and led educational experiences in Costa Rica during the summer of 2016, as well as our first study abroad to Cuba.

- **International Literature Festival.** UHD partnered with Casa Cultural de las Americas to host the International Literature Festival that featured writers of poetry, fiction, and non-fiction from Hispanic countries worldwide. This was the inaugural event for the Center for Latino Studies.

In broad terms, the Dean's Office offers leadership and support to the faculty, the departments, and the academic programs. The Dean and her staff oversee the financial and personnel matters in CHSS and coordinate planning, implementation, and ongoing operation of CHSS programs, including the CHSS Academic Advising Center.

Budget/Financial Summary:

During fiscal year 2018, with a faculty of 124 FTE and a staff of 20 FTE, the College administered 279 cost centers with an overall operating budget of $13,758,232.

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

Beginning Fund Balance (9/1/2016)	$ 1,269,156
Revenues	89,017
Expenditures	(12,912,169)
Transfers/Other	13,020,926
Ending Balance (8/31/2017)	$ 1,466,930

UNIVERSITY OF HOUSTON-DOWNTOWN
COLLEGE OF HUMANITIES AND SOCIAL SCIENCES
SUMMARY OF REVENUES AND EXPENDITURES

Description	FY 2017	FY 2016
Revenue		
Endowment Income Distribution	$ (25,087)	$ (24,649)
Federal Grants and Contracts	(334)	(518)
Other Fees	(555)	(88,628)
Private Gifts, Grants and Contracts	(51,533)	(49,507)
Sales and Services - Education and General	(11,508)	(20,948)
State Pass Through - Other State Agencies	0	(4,000)
Total Revenue	$ (89,017)	$ (188,250)
Cost of Goods Sold		
Cost of Goods Sold	$ 0	$ 0
Total Cost of Goods Sold	$ 0	$ 0
Payroll		
Salaries and Wages	$ 11,642,078	$ 11,398,254
Fringe Benefits	585,334	474,930
Total Payroll	$ 12,227,412	$ 11,873,184
Maintenance and Operations		
Academic Service	$ 37,075	$ 35,750
Advertising Promotion and Public	56,402	69,380
Communication and Transportation	34,723	37,749
Contracting of Services	10,062	47,850
Employee Expenses	45,197	56,107
Financial Aid	23,300	60,350
Financial Tax and License Cost	1,138	490
General Services	8,122	3,887
General Supplies	63,885	52,201
Indirect Cost	669	1,033
Miscellaneous Supplies and Material	909	2,033
Other Recurring Expenses	17,869	12,358
Parts and Furnishing	96,526	34,935
Printing, Copying and Reproduction	14,687	27,091
Professional Services	4,624	1,448
Rental Lease and Royalties	51,085	56,702
Routine Repair	10,325	8
Special Program and Events	8,068	24,667
Travel Expense	200,091	158,832
Total Maintenance and Operations	$ 684,757	$ 682,871
Capital Outlay		
Capital Outlay	$ 0	$ 0
Total Capital Outlay	$ 0	$ 0
Total Cost of Goods Sold, Payroll, M&O and Capital Outlay	$ 12,912,169	$ 12,556,055