

UNIVERSITY OF HOUSTON SYSTEM

INTERNAL AUDIT REPORT

UNIVERSITY OF HOUSTON

COLLEGE OF LIBERAL ARTS  
AND SOCIAL SCIENCES  
DEPARTMENTAL REVIEWS

REPORT NO. AR2020-19



UNIVERSITY OF HOUSTON SYSTEM  
Internal Auditing Department  
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## MEMORANDUM

**TO:** Mr. Jack B. Moore  
Chair, Audit and Compliance Committee

Dr. Renu Khator  
Chancellor/President, UHS/UH

**FROM:** Phillip W. Hurd  
Chief Audit and Compliance Executive

**DATE:** August 7, 2020

**SUBJ:** Internal Audit Report – UH College of Liberal Arts 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 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 18 departmental reviews in the College of Liberal Arts 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. Although we noted no matters we considered to be significant risk exposures and control issues, we noted an opportunity for improvement related to insufficient financial and administrative oversight. We also 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 20, 2020, 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  
COLLEGE OF LIBERAL ARTS 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 18 departmental reviews in the College of Liberal Arts 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. Although we noted no matters we considered to be significant risk exposures and control issues, we noted an opportunity for improvement related to insufficient financial and administrative oversight. We also 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:

- Opportunity for Improvement
- Compliance Matrix
- Instances of Non-Compliance
- Action Plan
- Background
- Financial Summary



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Phillip W. Hurd  
Chief Audit and Compliance Executive  
February 14, 2020

**UNIVERSITY OF HOUSTON SYSTEM  
INTERNAL AUDITING DEPARTMENT**

**UNIVERSITY OF HOUSTON  
COLLEGE OF LIBERAL ARTS AND SOCIAL SCIENCES  
OPPORTUNITY FOR IMPROVEMENT**

**Financial and Administrative Oversight**

The College manages and administers its business and financial operations at the department level. The Department Business Administrators are responsible for financial and administrative tasks within their departments.

MAPP 01.02.01, Business Administration, states that college business administrators are charged with ensuring the adherence to university policies and procedures within their college. In addition, the department business administrators report to the college business administrator and their respective department chair. MAPP 01.03.01, Baseline Standards, states that in a decentralized organizational structure the college business administrator has primary responsibility for management and oversight of the financial processes, while the department business managers have primary responsibility for the execution of the financial processes. The college business administrator is responsible for the following: 1) communicating policy and procedures changes to departments, 2) ensuring that departments have adequate support to fulfill their responsibilities, and 3) ensuring that departments have appropriate procedures in place to comply with minimum processing standards. The college business administrator is ultimately responsible for the control procedures in place at each department.

We noted that the College did not operate with a direct reporting line between the Department Business Administrators and the Executive Director of Business Operations.

**Recommendation:** The College should establish a direct reporting line between the Department Business Administrators and the Executive Director of Business Operations to help ensure adherence to university policies and procedures.

**Management Response:** The Dean met with Department Chairs and Department Business Administrators and issued a memo to communicate the establishment of a direct reporting line between Department Business Administrators and the Executive Director of Business Operations effective February 1, 2020.

**University of Houston System  
Internal Auditing Department**

**University of Houston  
College of Liberal Arts and Social Sciences  
Departmental Reviews**

<b>COMPLIANCE MATRIX</b>				
<b>Compliance Area</b>	<b>Dean's Office</b>	<b>Aerospace Studies</b>	<b>African American Studies, Philosophy, and Women's Studies Program</b>	<b>Arte Publico</b>
Management Oversight	<b>Ø</b>	✓	✓	✓
Policies, Procedures, Required Training, And Reporting	✓	✓	<b>(1)</b>	<b>(1)</b>
Cost Center Management	✓	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>
Payroll	✓	✓	✓	✓
Human Resources	<b>(1)</b>	✓	✓	✓
Change Funds And Cash Receipts	<b>(1)</b>	N/A	<b>(1)</b>	<b>(1)</b>
Procurement And Travel Cards	<b>(1)</b>	<b>(1)</b>	<b>(2)</b>	✓
Departmental Expenses	✓	✓	✓	✓
Contract Administration	✓	✓	✓	<b>(1)</b>
Property Management	<b>(3)</b>	<b>(1)</b>	<b>(3)</b>	✓
Scholarships	✓	✓	✓	N/A
Research	✓	N/A	✓	N/A

- ✓ **Fully Complies**
- Ø **Opportunity for Improvement**
- ( ) **Number of action items required to address non-compliance**
- N/A **Not Applicable**

**University of Houston System  
Internal Auditing Department**

**University of Houston  
College of Liberal Arts and Social Sciences  
Departmental Reviews**

<b>COMPLIANCE MATRIX</b>				
<b>Compliance Area</b>	<b>Center for Mexican American Studies</b>	<b>Center for Public History</b>	<b>Communication</b>	<b>Communication Sciences and Disorders</b>
Management Oversight	✓	✓	✓	✓
Policies, Procedures, Required Training, And Reporting	✓	✓	✓	(1)
Cost Center Management	(1)	(2)	✓	(1)
Payroll	✓	✓	(1)	(1)
Human Resources	✓	(1)	(1)	(1)
Change Funds And Cash Receipts	(2)	(3)	✓	(2)
Procurement And Travel Cards	✓	✓	(2)	(3)
Departmental Expenses	✓	✓	✓	✓
Contract Administration	✓	(1)	(1)	✓
Property Management	✓	(2)	(1)	(3)
Scholarships	✓	✓	✓	✓
Research	N/A	(1)	✓	(2)

- ✓ Fully Complies
- ⊖ Opportunity for Improvement
- ( ) Number of action items required to address non-compliance
- N/A Not Applicable

**University of Houston System  
Internal Auditing Department**

**University of Houston  
College of Liberal Arts and Social Sciences  
Departmental Reviews**

<b>COMPLIANCE MATRIX</b>				
<b>Compliance Area</b>	<b>Comparative Cultural Studies and Economics</b>	<b>English</b>	<b>Health and Human Performance</b>	<b>Hispanic Studies</b>
Management Oversight	✓	✓	✓	✓
Policies, Procedures, Required Training, And Reporting	(2)	(1)	✓	(1)
Cost Center Management	(2)	✓	(1)	(1)
Payroll	✓	(1)	(2)	✓
Human Resources	(2)	(2)	✓	(1)
Change Funds And Cash Receipts	N/A	✓	(1)	✓
Procurement And Travel Cards	✓	(2)	(2)	✓
Departmental Expenses	✓	(2)	✓	✓
Contract Administration	(2)	✓	✓	✓
Property Management	(3)	(3)	✓	(1)
Scholarships	✓	✓	✓	✓
Research	N/A	N/A	(2)	N/A

- ✓ **Fully Complies**
- ⊖ **Opportunity for Improvement**
- ( ) **Number of action items required to address non-compliance**
- N/A **Not Applicable**

**University of Houston System  
Internal Auditing Department**

**University of Houston  
College of Liberal Arts and Social Sciences  
Departmental Reviews**

<b>COMPLIANCE MATRIX</b>				
<b>Compliance Area</b>	<b>History</b>	<b>Military Science</b>	<b>Modern and Classical Languages</b>	<b>Political Science and Public Administration Program</b>
Management Oversight	✓	✓	✓	✓
Policies, Procedures, Required Training, And Reporting	✓	(1)	✓	(1)
Cost Center Management	✓	✓	✓	(1)
Payroll	✓	✓	✓	✓
Human Resources	✓	✓	✓	✓
Change Funds And Cash Receipts	✓	(1)	✓	(3)
Procurement And Travel Cards	✓	(1)	(1)	(1)
Departmental Expenses	✓	✓	✓	(4)
Contract Administration	(2)	(1)	✓	✓
Property Management	✓	✓	✓	(2)
Scholarships	✓	✓	✓	✓
Research	✓	N/A	✓	(1)

- ✓ Fully Complies
- ⊖ Opportunity for Improvement
- ( ) Number of action items required to address non-compliance
- N/A Not Applicable



**University of Houston System  
Internal Auditing Department**

**University of Houston  
College of Liberal Arts and Social Sciences  
Departmental Reviews**

<b>COMPLIANCE MATRIX</b>		
<b>Compliance Area</b>	<b>Psychology</b>	<b>Sociology</b>
Management Oversight	✓	✓
Policies, Procedures, Required Training, And Reporting	(1)	(1)
Cost Center Management	(2)	✓
Payroll	(3)	✓
Human Resources	(2)	(1)
Change Funds And Cash Receipts	(1)	✓
Procurement And Travel Cards	(2)	✓
Departmental Expenses	(1)	✓
Contract Administration	✓	(1)
Property Management	✓	(2)
Scholarships	✓	✓
Research	(3)	✓

- ✓ Fully Complies
- ⊖ Opportunity for Improvement
- ( ) Number of action items required to address non-compliance
- N/A Not Applicable

**UNIVERSITY OF HOUSTON SYSTEM  
INTERNAL AUDITING DEPARTMENT**

**UNIVERSITY OF HOUSTON  
COLLEGE OF LIBERAL ARTS 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**

**Management Oversight**

- Department Business Administrators were not reporting directly to the College's Executive Director of Business Operations (See Opportunity for Improvement).

**Human Resources**

- A Termination ePAR was not executed timely.

**Change Funds and Cash Receipts**

- A Cash Deposit Summary Form was not signed by two employees.

**Procurement and Travel Cards**

- Cardholders did not comply with university P-Card and T-Card guidelines.

**Property Management**

- The Designation of Property Custodian form was not completed.\*
- The Inventory Confirmation form was not completed.\*
- Request for Authority to Remove Equipment from Campus forms were not always completed.\*

**AEROSPACE STUDIES**

**Cost Center Management**

- Cost center verifications were not always prepared and approved timely.\*

**Procurement Cards**

- Expense reports were not always prepared and approved timely.

### **Property Management**

- The Designation of Property Custodian form was not completed timely.

## **AFRICAN AMERICAN STUDIES, PHILOSOPHY AND WOMEN'S STUDIES PROGRAM**

### **Policies, Procedures, Required Training, and Reporting**

- Mandatory training was not completed by all applicable employees.

### **Cost Center Management**

- Cost center verifications were not always prepared and approved timely.

### **Change Funds and Cash Receipts**

- The same employee is responsible for preparing deposits and monthly verifications.

### **Procurement and Travel Cards**

- Cardholders did not comply with P-Card guidelines.
- A travel card contained a liability account balance at fiscal year-end.

### **Property Management**

- Designation of Property Custodian forms were not completed timely.
- Annual inventories were not completed timely.
- Request for Authority to Remove Equipment from Campus forms were not renewed timely.

## **ARTE PUBLICO**

### **Policies, Procedures, Required Training, and Reporting**

- Role based training was not completed by all applicable employees.

### **Cost Center Management**

- Cost center verifications were not always approved timely.\*

### **Change Funds and Cash Receipts**

- Accounts Receivable are not updated monthly.

### **Contract Administration**

- A university official without delegated contractual authority signed a contract.

## **CENTER FOR MEXICAN AMERICAN STUDIES**

### **Cost Center Management**

- Cost center verifications were not always approved timely.

### **Change Funds and Cash Receipts**

- The same employee is responsible for preparing deposits and monthly verifications.
- The annual PCI Data Security Standard certification was not completed timely.

## **CENTER FOR PUBLIC HISTORY**

### **Cost Center Management**

- Cost center verifications were not always prepared and approved timely.\*
- Cost center verification documentation was not always maintained.\*

### **Human Resources**

- A Termination ePAR was not prepared and executed timely.

### **Change Funds and Cash Receipts**

- The same employee is responsible for preparing deposits and monthly verifications.
- Checks deposited were not made payable to the University of Houston.
- A Cash Deposit Journal was not prepared timely.

### **Contract Administration**

- A contract and contract coversheet were not signed prior to the effective date.

### **Property Management**

- The Designation of Property Custodian form was not completed timely.
- A Request for Authority to Remove Property from Campus form was not renewed timely.

### **Research**

- Disallowable expenses were charged to a sponsored research project.

## **COMMUNICATION**

### **Payroll**

- An employee was not clocking out to record time worked.

### **Human Resources**

- An eTermination Checklist was not completed.

**Procurement and Travel Cards**

- Cardholders did not comply with university P-Card and T-Card guidelines.
- An expense report did not contain supporting documentation.

**Contract Administration**

- A contract was not reviewed and approved by all required parties.

**Property Management**

- Request for Authority to Remove Equipment from Campus forms were not renewed timely.

**COMMUNICATION SCIENCES AND DISORDERS****Policies, Procedures, Required Training, and Reporting**

- Mandatory and role based training was not completed by all applicable employees.\*

**Cost Center Management**

- Cost center manager was not updated timely.\*

**Payroll**

- Employees were not clocking in and out to record time worked.

**Human Resources**

- An eTermination Checklist was not completed timely.

**Change Funds and Cash Receipts**

- The same employee is responsible for preparing deposits and monthly verifications.\*
- Cash receipts were not deposited timely.

**Procurement and Travel Cards**

- Expense reports did not always contain supporting documentation.\*
- Expense reports were not adequately reviewed and approved timely.\*
- An expense report was not completed.\*

**Property Management**

- The Designation of Property Custodian form was not completed timely.
- An annual inventory was not completed timely.
- Request for Authority to Remove Equipment from Campus forms were not renewed timely.

### **Research**

- A grant cost center had a deficit budgetary balance.\*
- Expired grant cost centers were not deactivated.\*

## **COMPARATIVE CULTURAL STUDIES AND ECONOMICS**

### **Policies, Procedures, Required Training, and Reporting**

- The Baseline Standards were not submitted timely.
- Mandatory training was not completed by all applicable employees.

### **Cost Center Management**

- Cost center verifications were not always prepared and approved timely.\*
- Cost center verification documentation was not always maintained. \*

### **Human Resources**

- An eTermination Checklist was not completed.
- A Termination ePAR was not prepared and executed timely.

### **Contract Administration**

- Contracts and contract coversheets were not signed prior to the effective date.
- A contract was not signed by a university official with delegated contractual authority.

### **Property Management**

- The Designation of Property Custodian forms were not completed timely.
- Annual inventories were not completed timely.
- A Request for Authority to Remove Equipment from Campus form was not renewed timely.

## **ENGLISH**

### **Policies, Procedures, Required Training, and Reporting**

- Mandatory training was not completed by all applicable employees.

### **Payroll**

- Absence requests for a non-exempt employee were not always submitted timely.

### **Human Resources**

- eTermination Checklists were not completed timely.
- A Termination ePAR was not prepared and executed timely.

### **Procurement and Travel Cards**

- A cardholder did not comply with T-Card guidelines.
- An expense report was not approved timely.

### **Departmental Expenses**

- A Travel Request was not approved timely.
- Alcohol expenses were charged to designated tuition funds.

### **Property Management**

- The Designation of Property Custodian form was not completed timely.
- An annual inventory was not completed timely.
- Request for Authority to Remove Equipment from Campus forms were not renewed timely.

## **HEALTH AND HUMAN PERFORMANCE**

### **Cost Center Management**

- Cost center verifications were not always prepared and approved timely.\*

### **Payroll**

- Two employees were not clocking in and out to record time worked.\*
- Corrections made to time recorded did not include comments that substantiated the entry.

### **Change Funds and Cash Receipts**

- Cash Deposit Journals were not prepared timely.

### **Procurement and Travel Cards**

- Cardholders did not comply with university P-Card guidelines.
- Expense reports were not approved by a certifying signatory.

### **Research**

- Grant cost centers had deficit budgetary balances.\*
- Expired grant cost centers were not deactivated.\*

## **HISPANIC STUDIES**

### **Policies, Procedures, Required Training, and Reporting**

- Mandatory and role-based training was not completed by all applicable employees.

### **Cost Center Management**

- Cost center verifications were not always approved timely.\*

**Human Resources**

- An eTermination Checklist was not completed.

**Property Management**

- A Request for Authority to Remove Equipment from Campus form was not renewed timely.

**HISTORY****Contract Administration**

- A contract and contract coversheet were not signed prior to the effective date.
- A university official without delegated contractual authority signed a contract.

**MILITARY SCIENCE****Policies, Procedures, Required Training, and Reporting**

- The Baseline Standards were not submitted timely.

**Change Funds and Cash Receipts**

- The same employee is responsible for preparing deposits and monthly verifications.

**Procurement and Travel Cards**

- A cardholder did not comply with university P-Card guidelines.

**Contract Administration**

- A contract and contract coversheet were not signed prior to the effective date.

**MODERN AND CLASSICAL LANGUAGES****Procurement and Travel Cards**

- Documentation uploaded into the Concur System contained a full credit card number.

**POLITICAL SCIENCE AND PUBLIC ADMINISTRATION PROGRAM****Policies, Procedures, Required Training, and Reporting**

- Mandatory training was not completed by all applicable employees.

**Cost Center Management**

- Cost center verifications were not always approved timely.



### **Change Funds and Cash Receipts**

- Cash receipts were not deposited timely.
- Documentation uploaded to the Finance System contained bank account information.\*
- Gift transmittal forms were not completed.\*

### **Procurement and Travel Cards**

- Documentation uploaded to the Finance System contained the full credit card number.

### **Departmental Expenses**

- Business meal attendees were not adequately documented.
- An expense was coded to an incorrect account code.
- A traveler was reimbursed for personal expenses.\*
- An expense report exceeded the combined travel meal and lodging limit.\*

### **Property Management**

- The Designation of Property Custodian form was not completed timely.
- Request for Authority to Remove Equipment from Campus forms were not renewed timely.

### **Research**

- Expired grant cost centers were not deactivated.\*

## **PSYCHOLOGY**

### **Policies, Procedures, Required Training, and Reporting**

- Mandatory training was not completed by all applicable employees.\*

### **Cost Center Management**

- Cost center verifications were not always prepared and approved timely.\*
- The University approved verification worksheet was not used to document monthly verifications.\*

### **Payroll**

- An employee was not clocking in and out to record time worked.
- An employee was not paid timely.
- A payroll suspense balance was not cleared timely.

### **Human Resources**

- A Hire ePAR was not prepared or approved timely.
- An eTermination Checklist was not completed timely.

**Change Funds and Cash Receipts**

- Cash Deposit Journals were not prepared timely.

**Procurement and Travel Cards**

- Cardholders did not comply with university P-Card and T-Card guidelines.\*
- Expense reports were not signed by the cardholder.

**Departmental Expenses**

- Alcohol expenses were charged to an incorrect account code.

**Research**

- A grant expense was not approved by a certified administrator.
- Grant cost centers had deficit budgetary balances.\*
- Expired grant cost centers were not deactivated.\*

**SOCIOLOGY****Policies, Procedures, Required Training, and Reporting**

- The Baseline Standards were not submitted timely.

**Human Resources**

- An eTermination Checklist was not completed timely.

**Contract Administration**

- A contract coversheet was not signed prior to the effective date.

**Property Management**

- The Designation of Property Custodian form was not completed timely.
- A Request for Authority to Remove Equipment from Campus form was not renewed timely.

**University of Houston System  
Internal Auditing Department**

**UH College of Liberal Arts and Social Sciences, Departmental Reviews - AR2020-19  
Action Plan**

<b>Est. Compl. Date</b>	<b>Responsibility for Action Name/Title</b>	<b>Action To Be Taken</b>
<b>Risk Level:    High    Medium    Low</b>		
Action Complete	Bob McKee Executive Director of Business Operations Dean's Office	Complete the Designation of Property Custodian form.
Action Complete	Bob McKee Executive Director of Business Operations Dean's Office	Complete Inventory Confirmation Report.
Action Complete	Bob McKee Executive Director of Business Operations Dean's Office	Complete Request for Authority to Remove Equipment from Campus forms.
May 31, 2020	Lisa Meza-Duran Department Business Administrator Aerospace Studies	Prepare and approve cost center verifications in a timely manner.
May 31, 2020	Nellie Gonzalez Department Business Administrator Arte Publico	Approve cost center verifications in a timely manner.
May 31, 2020	Wesley Jackson Program Manager Center for Public History	Prepare and approve cost center verifications in a timely manner, and maintain adequate documentation.

**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**

**UH College of Liberal Arts and Social Sciences, Departmental Reviews - AR2020-19  
Action Plan**

<b>Est. Compl. Date</b>	<b>Responsibility for Action Name/Title</b>	<b>Action To Be Taken</b>
<b>Risk Level:    High    Medium    Low</b>		
Action Complete	Bob McKee Executive Director of Business Operations Dean's Office	Complete role based training.
July 31, 2020	Elizabeth Shepard Department Business Administrator Communication Sciences and Disorders	Update cost center manager in the Finance System.
June 30, 2020	Elizabeth Shepard Department Business Administrator Communication Sciences and Disorders	Ensure that the same employee does not have both cash handling and monthly reconciliation responsibilities.
August 31, 2020	Elizabeth Shepard Department Business Administrator Communication Sciences and Disorders	Complete expense reports, including all supporting documentation timely.
May 31, 2020	Bob McKee Executive Director of Business Operations Dean's Office	Perform a thorough review and approve P-Card expense reports timely.
August 31, 2020	Elizabeth Shepard Department Business Administrator Communication Sciences and Disorders	Restore deficit budgetary balances to a zero or a positive amount.

**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**

**UH College of Liberal Arts and Social Sciences, Departmental Reviews - AR2020-19  
Action Plan**

<b>Est. Compl. Date</b>	<b>Responsibility for Action Name/Title</b>	<b>Action To Be Taken</b>
<b>Risk Level:    High    Medium    Low</b>		
July 31, 2020	Elizabeth Shepard Department Business Administrator Communication Sciences and Disorders	Submit requests to the appropriate office to deactivate inactive cost centers.
May 31, 2020	Rayna Spencer Department Business Administrator Comparative Cultural Studies and Economics	Prepare and approve cost center verifications in a timely manner and maintain adequate documentation.
May 31, 2020	Stephanie Davis Department Business Administrator Health and Human Performance	Prepare and approve cost center verifications in a timely manner.
October 1, 2020	Randi Betts Director of Administration and Academic Affairs Health and Human Performance	Work with the Payroll Office to comply with time reporting requirements.
August 31, 2020	Stephanie Davis Department Business Administrator Health and Human Performance	Restore deficit budgetary balances to a zero or a positive amount.
August 31, 2020	Stephanie Davis Department Business Administrator Health and Human Performance	Work with the appropriate office to resolve the outstanding items and deactivate expired grant 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**

**UH College of Liberal Arts and Social Sciences, Departmental Reviews - AR2020-19  
Action Plan**

<b>Est. Compl. Date</b>	<b>Responsibility for Action Name/Title</b>	<b>Action To Be Taken</b>
<b>Risk Level:    High    Medium    Low</b>		
May 31, 2020	Flor Montelongo Department Business Administrator Hispanic Studies	Approve cost center verifications in a timely manner.
May 31, 2020	Bob McKee Executive Director of Business Operations Dean's Office	Remove bank account information uploaded to the Finance System.
July 1, 2020	Bob McKee Executive Director of Business Operations Dean's Office	Complete Gift Transmittal Forms.
July 31, 2020	Bob McKee Executive Director of Business Operations Dean's Office	Require the traveler to reimburse for personal expenses.
August 31, 2020	Bob McKee Executive Director of Business Operations Dean's Office	Submit requests to the appropriate office to deactivate inactive cost centers.
Action Complete	Olga Litvinova Department Business Administrator Psychology	Complete mandatory training.

**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**

**UH College of Liberal Arts and Social Sciences, Departmental Reviews - AR2020-19  
Action Plan**

<b>Est. Compl. Date</b>	<b>Responsibility for Action Name/Title</b>	<b>Action To Be Taken</b>
<b>Risk Level:    High    Medium    Low</b>		
May 31, 2020	Olga Litvinova Department Business Administrator Psychology	Prepare and approve cost center verifications in a timely manner.
May 31, 2020	Olga Litvinova Department Business Administrator Psychology	Use the University approved verification worksheet when completing the monthly cost center verifications.
August 31, 2020	Olga Litvinova Department Business Administrator Psychology	Clear unallowed credit card expense balances.
August 31, 2020	Olga Litvinova Department Business Administrator Psychology	Restore deficit budgetary balances to a zero or a positive amount.
August 31, 2020	Olga Litvinova Department Business Administrator Psychology	Work with the appropriate office to resolve the outstanding items and deactivate expired grant 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  
College of Liberal Arts and Social Sciences  
Background Information**

**Background Statement**

The College of Liberal Arts and Social Sciences (CLASS) was formed on January 1, 2001, when the Colleges of Humanities, Fine Arts and Communication and Social Sciences were merged. In 2016, the fine arts academic divisions formed the Kathrine G. McGovern College of the Arts.

Today, CLASS is comprised of 13 academic departments, eight academic areas and programs, 13 academic centers, six clinical service units, and over 384 faculty members. CLASS is the largest and most diverse of the 16 academic colleges on the UH campus with nearly 12,000 students matriculating in over 70 degree-granting programs and more than 850 graduate students. CLASS offers Bachelor of Arts, Bachelor of Science, Master of Arts, Master of Fine Arts, and Doctor of Philosophy degrees. CLASS generates over 330,000 semester credit hours, approximately 30 percent of the University total. With 34 departments, programs, centers, and institutes, CLASS promotes interdisciplinary initiatives while advancing disciplinary research and teaching.

CLASS is dedicated to spurring intellectual curiosity, creativity and transformative education through the humanities, social sciences and health sciences. By integrating theory and real-world best practices, students are prepared to adapt and thrive in the marketplace.

CLASS provides a link between the studies of human behavior and the appreciation of human experience. CLASS offers courses that explore the human condition through scientific knowledge, social structures, literature, language, philosophy, and history.

All university students take core subject courses in CLASS, which broadens their perspectives and prepares them for citizenship in a multi-cultural society. CLASS curricula are flexible and encourage students to pursue a variety of intellectual interests while also studying a specific area in-depth. Courses are designed to foster critical communication and reasoning skills. Emphasis is placed upon the acquisition of a wide range of knowledge and the development of discipline and self-reliance. CLASS prepares students for further training in graduate education and professional schools such as law, business, and medicine.

**Budget/Financial Summary:**

During fiscal year 2020, with a faculty FTE of 384.71 and a staff FTE of 175.5, CLASS administered over 1,641 cost centers with an overall operating budget of \$73,560,033.



The following table presents the fund balance reconciliation for the College for FY 2019:

Beginning Fund Balance (9/1/2018)	\$ 16,598,193
Revenues	16,729,945
Expenditures	(73,227,217)
Transfers/Other	<u>60,422,024</u>
Ending Balance (8/31/2019)	<u><u>\$ 20,522,945</u></u>

UNIVERSITY OF HOUSTON  
COLLEGE OF LIBERAL ARTS AND SOCIAL SCIENCES  
SUMMARY OF REVENUES AND EXPENDITURES

<u>Description</u>	<u>FY 2019</u>	<u>FY 2018</u>
<u>Revenue</u>		
Endowment Income Distribution	\$ (1,039,907)	\$ (989,504)
Federal Grants and Contracts	(6,453,989)	(4,645,940)
Federal Pass Through Grants - State Grants and Contracts	(735,098) (88,902)	(350,036) 0
Other Fees	(1,253,686)	(1,454,818)
Other Investment Income	0	68
Other Revenue Sources	(102,952)	(60,431)
Private Gifts, Grants and Contracts	(4,690,438)	(4,111,319)
Sales and Service - E & G	(2,306,182)	(2,392,340)
State Grants and Contracts	(18,500)	(17,960)
State Pass Through - Other State Agencies	(40,291)	(50,799)
Total Revenue	<u>\$ (16,729,945)</u>	<u>\$ (14,073,079)</u>
<u>Cost of Goods Sold</u>		
Cost of Goods Sold	\$ 16,404	\$ 57,686
Total Cost of Goods Sold	<u>\$ 16,404</u>	<u>\$ 57,686</u>
<u>Payroll</u>		
Salaries and Wages	\$ 56,497,801	\$ 54,930,511
Fringe Benefits	4,937,528	4,922,736
Total Payroll	<u>\$ 61,435,329</u>	<u>\$ 59,853,247</u>
<u>Maintenance and Operations</u>		
Academic Service	\$ 169,097	\$ 238,860
Advertising Promotion and Public Communication and Transportation	220,320 440,432	339,531 444,490
Construction Expenses	1,460	1,701
Contracting Services	1,176,454	801,535
Contracts and Grants	0	(251)
Employee Expenses	300,476	281,791
Facilities and Grounds Supplies	647	92
Financial Aid	1,307,940	1,484,881
Financial Tax and License Cost	37,782	26,486
General Services	209,288	110,439
General Supplies	787,091	1,001,502
Health and Clinic Supplies	2,685	3,167
Indirect Cost	1,276,044	1,034,403
Interscholastic Athletics	7,280	6,710
Lab Research Supplies	10,759	144,650
Legal Services	21,535	47,637
Misc Supplies and Materials	38,084	25,944
Other Recurring Expenses	478,290	996,578
Parts and Furnishing	768,299	709,443
Pass Through	1,568,769	895,112
Printing, Copying, and Reproduction	373,973	285,172
Professional Services	150,140	159,187
Rental Lease and Royalties	353,174	353,184
Routine Repair	60,711	46,770
Special Program and Events	370,542	282,868
Travel	1,245,956	1,213,573
Utilities and Sanitation	335	514
Total Maintenance and Operations	<u>\$ 11,377,563</u>	<u>\$ 10,935,969</u>
<u>Capital Outlay</u>		
Capital Outlay	\$ 397,921	\$ 301,859
Total Capital Outlay	<u>\$ 397,921</u>	<u>\$ 301,859</u>
Total Cost of Goods Sold, Payroll, M&O, and Capital Outlay	<u>\$ 73,227,217</u>	<u>\$ 71,148,761</u>