



UT Tyler

THE UNIVERSITY OF TEXAS AT TYLER

Internal Audit Department

February 4, 2026

Dr. Julie Philley
President
The University of Texas at Tyler
3900 University Blvd.
Tyler, TX 75799

Dr. Philley,

We completed the Nursing Shortage Reduction Program (NSRP) Regular Program Fiscal Year 2021 Audit that was part of the University of Texas at Tyler's (UT Tyler) Fiscal Year (FY) 2026 Audit Plan. The objective of the audit was to determine if funds expended complied with the program expenditure guidelines. The scope of the audit was limited to expenditures from the beginning of FY 2021 (September 1, 2020) through FY 2025 (August 31, 2025), when the final expenditure report was provided to the Texas Higher Education Coordinating Board (THECB).

This audit was conducted in accordance with guidelines set forth in The Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards. We appreciate the assistance provided by management and other personnel and hope the information presented in our report is helpful.

Sincerely,

Stephen Ford
Chief Risk Officer & Acting Chief Audit Executive

Enclosure

cc:

Mr. Daniel Deslatte, Chief Business Officer
Dr. Barbara Haas, Provost
Dr. Amir Mirmiran, Chief Research Officer
Mr. Aaron LeMay, Chief Financial Officer
Dr. Jenifer Chilton, Interim Dean - School of Nursing
Ms. Lisa Bush, Associate Vice President, Research Administration
Mr. J. Michael Peppers, UT System Chief Audit Executive
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**Nursing Shortage Reduction Program –
Regular Program Fiscal Year 2021 Audit Report**



UTTyler
THE UNIVERSITY OF TEXAS AT TYLER

February 4, 2026

INTERNAL AUDIT DEPARTMENT
3900 UNIVERSITY BOULEVARD
TYLER, TEXAS 75799

AUDIT OBJECTIVE

The University of Texas at Tyler
Nursing Shortage Reduction Program – Regular Program Fiscal Year 2021 Audit

The objective of this engagement was to determine if funds expended were in compliance with allowable award expenditures outlined in the Program Announcement.

CONCLUSION

This audit identified three (3) opportunities for improvement to strengthen controls and processes related to FY 2021 Nursing Shortage Reduction Program (FY 2021 NSRP) reporting.

OBSERVATIONS

After reviewing 30 transactions from FY 2021 through FY 2025 for the FY 2021 NSRP, below is a chart of the observations:

Sample	Population	Type of Transaction	Exceptions
18	156	Payroll	0
5	48	Maintenance & Operations	0
2	9	ProCard	0
5	698	Travel	3

This audit identified the following opportunities for improvement:		
1	High	Prevent Excess GSA Spending
2	High	Ensure Grant Reporting Accuracy
3	Medium	Develop Monitoring Processes

#1: Prevent Excess GSA Spending

High: Noncompliance with state travel rules increases the risk of inappropriate use of state-appropriated funds and could result in the loss of grant funding.

Hotel rates exceeded the U.S. General Services Administration (GSA) rate on two (2) of the five (5) travel reimbursements tested. It was further noted that one (1) of the five (5) travel reimbursements tested exceeded the GSA rate but was split between a university cost center (3100) and a state cost center (2100), and there was no evidence of budget authority approval for this excess. Per the University

of Texas at Tyler (UT Tyler) Travel Program Policies and Procedures, “2100 cost centers must follow state travel rules.” State appropriated funds may not be used to pay the difference between the conference lodging rate and the maximum allowed rate. Reimbursement for lodging shall not exceed the locality-based maximum rates approved by the Office of the Comptroller of Public Accounts and published by the GSA. For Conference lodging, if the rate is over the maximum allowed lodging rate, the traveler must have budget authority approval prior to reserving the higher lodging rate per UT Tyler Travel Program Policies and Procedures. Institutional funds must be used to pay any excess amount.

Opportunity for Improvement 1: The School of Nursing Management should ensure that when travel expenses are charged to a state cost center (2100), lodging reimbursements do not exceed the GSA rate. Any lodging costs above the GSA maximum should be charged to a

university cost center, with documented budget authority approval obtained prior to incurring the expense.

Management Response:

1. Schedule training with Karen Chudej, Director of Internal Audit Department by end of January 2026 with Jenifer Chilton, Margaret Ruelle (NSRP 25 CO PI), Angie McInnis (Associate Dean for Academic Affairs), Melinda Hermanns (Assistant Dean Professional Development), Brittany Ash (Program Manager for NSRP), all administrative assistants, and department coordinators to address compliance with 2100 rules.
2. Update travel approval documents and process for BA – Jenifer Chilton, Angie McInnis, and Maggie Ruelle, Melinda Hermanns. Add training for Assistant Deans, Program Directors, Coordinators, Faculty, and Staff.
3. Under the direction of Margaret Ruelle, Brittany Ash will review all approved travel associated with open NSRP funds to verify compliance that “2100 cost centers are following state travel rules.” Generate documentation for leadership.

Responsible Person(s): Dr. Jenifer Chilton

Anticipated Implementation Date:

1/31/26 Complete Training with key personnel and update travel approval documents
3/15/26 Complete travel review and provide documentation to Dean, Maggie Ruelle, Angie McInnis re: 2100 compliance
4/1/26 Complete corrections and document, report goes to Dean, Maggie Ruelle, Angie McInnis

Opportunity for Improvement 2: The School of Nursing Management should ensure that a screenshot of the applicable GSA lodging rate is saved with the travel documentation as required by the UT Tyler Travel Program Policies and Procedures. This evidence will verify that reimbursements are within the allowable state rate and provide clear support.

Management Response:

1. Schedule training with Karen Chudej, Director of Internal Audit Department by end of January 2026 with Jenifer Chilton, Margaret Ruelle (NSRP 25 CO PI), Angie McInnis (Associate Dean for Academic Affairs), Melinda Hermanns (Assistant Dean Professional Development), Brittany Ash (Program Manager for NSRP), all administrative assistants, and department coordinators to address GSA documentation in PeopleSoft General Ledger.2. Under the direction of Margaret Ruelle, Brittany Ash will review all approved travel associated with open NSRP funds to verify GSA forms are attached

Responsible Person(s): Dr. Jenifer Chilton

Anticipated Implementation Date:

1/31/26 Complete Training with key personnel
3/15/26 Complete travel review and provide documentation to Dean, Maggie Ruelle, Angie McInnis re: GSA documentation

4/1/26 Complete corrections and document, report goes to Dean, Maggie Ruelle, Angie McInnis

#2: Ensure Grant Reporting Accuracy

High: Inaccurate reporting may raise compliance concerns and could require return of grant funds.

Grant reports should be reconciled to the official accounting records (PeopleSoft General Ledger) to ensure accuracy and compliance with reporting requirements. During review of the final grant report, Total Spent was misstated by \$15.24 compared to PeopleSoft General Ledger. The report was not verified against the General Ledger prior to submission, resulting in a minor discrepancy. Although the variance is

small, inaccurate reporting may raise compliance concerns and could require discussion with the granting agency to determine whether funds should be returned.

Opportunity for Improvement: The Office of Sponsored Programs (OSP) should establish a review process of the Final Expenditure Report to ensure accuracy based on the PeopleSoft General Ledger prior to submission. OSP should review this discrepancy, and any future discrepancies, to determine appropriate action, inclusive of whether grant funds should be returned.

Management Response: Agreed. Prior to ASO signing final expenditure reports, OSP will review Peoplesoft General Ledger to ensure that expenses and income match what is reported in the final expenditure report. This will be done in addition to the original report that is obtained from either grant accounting or the department’s finance staff. This is a new process that will be implemented in order to create a check and double check method before final expenditure report is signed and submitted.

Responsible Person(s): Angela Nunez and Lisa Bush

Anticipated Implementation Date: Effective Immediately

#3: Develop Monitoring Processes

Medium: Inadequate monitoring could result in inaccurate reporting or unallowed expenditures.

The Texas Higher Education Coordinating Board (THECB) awarded UT Tyler \$1,050,380.21 as part of the FY 2021 NSRP Regular Program. Program guidelines require institutions to expend award funds within 4 fiscal years after the year of the award, which puts the deadline for this award at August 31, 2025. There was no evidence of monitoring for the grant.

Monitoring grants would ensure appropriate spending and accurate reporting.

Opportunity for Improvement 1: The School of Nursing Management, who are responsible for managing this award, through extensive collaboration with UT Tyler Executive Management, should develop a process to monitor spending deadlines and work with OSP to develop a monitoring process. These procedures will help ensure future awards are fully expended appropriately.

Management Response: We meet with the financial team assigned to the SON weekly to discuss SON finances, which includes NRSP funding. Respectfully, we thought this was sufficient tracking for the NSRP; we maintain meeting agendas and minutes. Action items from these meetings are generated. However, moving forward, we will include meeting with OSP quarterly to discuss all NSRP progress.

Responsible Person(s): Dr. Jenifer Chilton

Anticipated Implementation Date:

1/31/26 schedule quarterly meetings for February, May, and August 2026.

Opportunity for Improvement 2: OSP should review the monitoring processes throughout UT Tyler to ensure appropriate oversight procedures are in place to monitor the expenditure of awarded funds.

Management Response: Agreed. A post award matrix of responsibilities is currently being updated in coordination with the Chief Research Officer, AVP Research Administration, and the Director of Sponsored Programs. This matrix of responsibilities will then be converted into a post award monitoring process with a specific process for grants that sit in cost centers instead of projects.

Responsible Person(s): Dr. Amir Mirmiran, Angela Nunez, and Lisa Bush

Anticipated Implementation Date: Development phase expected completion February 2026, testing phase March-May 2026, and full implementation by Summer 2026.

The University of Texas at Tyler
Nursing Shortage Reduction Program – Regular Program Fiscal Year 2021 Audit

BACKGROUND

The College of Nursing and Health Sciences was awarded \$1,050,380.21 for NSRP in FY 2021 by THECB. The funds were available to spend on September 1, 2020, through August 31, 2025. Program guidelines state “Institutions have four (4) fiscal years after the year of award in which to expend award funds.” The guidelines also require an audit for awards that exceed \$500,000.

STANDARDS

The audit was conducted in accordance with guidelines set forth in *The Institute of Internal Auditors’ International Standards for the Professional Practice of Internal Auditing* and *Generally Accepted Government Auditing Standards*.

SCOPE AND PROCEDURES

The scope of the audit included a review of transactions from FY 2021 when the funding was received, through FY 2025, when the grant ended.

To achieve the audit objective, we:

- Reviewed the Program Announcement;
- Obtained the population of transactions from the PeopleSoft accounting system for cost center 21002067;
- Reviewed Program guidelines to gain an understanding of expenditure requirements;
- Tested a sample of expenditures and supporting documentation to verify compliance with program requirements; and
- Verified the population totals to the final report submitted to THECB.

OBSERVATION RANKINGS

Internal audit departments across the University of Texas System use a consistent process to evaluate audit results based on risk factors and the probability of a negative outcome.

Legend	
Priority	<i>A finding is defined as an issue that if not addressed immediately, has a high probability to directly impact achievement of a strategic or important operational objective of UT Tyler.</i>
High	<i>A finding that is considered to have a <u>medium to high probability</u> of adverse effects to UT Tyler as a whole or to a significant college or department.</i>
Medium	<i>A finding that is considered to have a <u>low to medium probability</u> of adverse effects to UT Tyler as a whole or to a college or department.</i>
Low	<i>A finding that is considered to have a <u>minimal probability</u> of adverse effects to UT Tyler as a whole or to a college or department. These findings are communicated separately to management.</i>