



TEXAS HIGHER EDUCATION COORDINATING BOARD

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January 08, 2019

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OF HIGHER EDUCATION

(512) 427-6101
Fax (512) 427-6127

Web site:
<http://www.thecb.state.tx.us>

Dr. Raymund A. Paredes
Commissioner of Higher Education
1200 E. Anderson Lane
Austin, TX 78752

Dear Dr. Paredes:

The Texas Higher Education Coordinating Board implemented two of the three outstanding audit recommendations from the Audit of Contract Administration report issued December 2017.

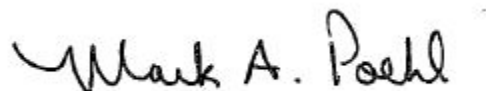
Management implemented audit recommendations by:

- By creating a workgroup to revise policies and procedures to address issues and concerns regarding grant contract management, and reorganizing the College Readiness and Success division to add a Grant Coordinator position. This position will review and monitor project costs, approved budgets, assist with risk assessments, grant closeouts, and identify process improvements. All CRS Division staff are required to attend all THECB training as a part of their performance evaluation, which includes training on the updated Grant Management Handbook.
 - The second portion of this recommendation directs THECB to “Engage in discussions with Texas State University in determining the recoupment amount that Texas State University should provide to the Coordinating Board for the inappropriate use of grant funds”. The recoupment will not to be determined until court proceedings are finished. ***This portion of the recommendation will remain “In Progress”, pending the adjudication of a criminal case for the theft of funds.***
- THECB updated the Grant Management Handbook to include core topics such as a grant manager’s responsibilities, the THECB’s standards of conduct policy, ethics, conflicts of interest, and cautions against the “appearance of impropriety.” The training also incorporates a discussion of hypothetical examples, including potential problems and conflicts caused by the scenario, potential responses, and the best course of action as recommended by the agency’s legal counsel.
- THECB updated the internal control document to include required notification to an institutions grant office if any faculty or staff is under a separate contract or grant within the CRS division.

We conducted this follow-up audit in conformance with the International Standards for the Professional Practice of Internal Auditing and in accordance with the Generally Accepted Government Auditing Standards (GAGAS).

If you have any questions or comments, please let me know.

Sincerely,



Mark A. Poehl, CPA, CIA, CISA, CFE
Director, Internal Audit and Compliance
cc:

THECB
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