Johnson, Johnnie

From: Griffiths, Dan
Sent: Thursday, April 28, 2011 11:47 AM
To: Davis, Shelly
Cc: Barnes, Gary; Harvell, Julie; Johnson, Johnnie
Subject: RE: THECB ARRA Grants Program :: WTAMU Desk Review report

Shelly,
We appreciate your timely response and will move to close this project file.
Thanks again!
Dan

From: Davis, Shelly [mailto:sdavis@mail.wtamu.edu]
Sent: Thursday, April 28, 2011 11:17 AM
To: Griffiths, Dan
Cc: Barnes, Gary; Harvell, Julie
Subject: RE: THECB ARRA Grants Program :: WTAMU Desk Review report

Dan,

Attached is WTAMU's response and additional documentation. If you need anything else please let me know.

Shelly Davis
Director of Accounting
West Texas A&M University
806-651-2080
fax 806-651-2929

From: Griffiths, Dan [mailto:Dan.Griffiths@THECB.state.tx.us]
Sent: Tuesday, April 12, 2011 3:33 PM
To: Davis, Shelly
Cc: Harvell, Julie; Johnson, Johnnie
Subject: THECB ARRA Grants Program :: WTAMU Desk Review report

Shelly,

The Coordinating Board has concluded a desk review of the ARRA Government Services Funds awarded to your institution.

Please find attached my cover letter and related report for your review and comment, and ask that you respond in kind with an email for the requested information as needed.

We sincerely appreciate your staff availability and assistance during this activity, let me know if you have any questions.

Regards,
Dan

Dan Griffiths
Director, ARRA Grants Program
Texas Higher Education Coordinating Board

1200 E. Anderson Lane, Austin, TX 78752
TEL: 512.427.6118
FAX: 512.427.6127
EML: dan.griffiths@thecb.state.tx.us
URL: http://www.thecb.state.tx.us/ARRA

West Texas A&M University
Accounting & Business Office

April 28, 2011

Texas Higher Education Coordinating board
1200 E. Anderson Lane
Austin, TX 78752
Attn: Dan Griffiths

SUBJ: WTAMU Audit Response

Dear Mr. Griffiths,

Below are West Texas A&M University's responses to the two findings on ARA audit for FY 10 ARRA funds.

Item 1. The two significant deficiencies that were addressed in the A-133 audit have both been resolved. Neither had any cost associated with them. See attached documentation on the Federal Portion of the Statewide Single Audit Report for the Fiscal Year Ended August 31.2010..

Item 4. There was an error in calculating the September and October hours worked. The September hours worked were corrected in the THECB system in March. The October hours we show that our hours worked are correct. We talked to Johnnie Johnson on 4/28/11 and she forgot to follow up on this one with us because it was such a small number.

Corrective action was taken for all the items marked with an "N". There are no outstanding issues. Please let us know if you need additional information.

Sincerely,

Shelly Davis
Director of Accounting

Texas Higher Education Coordinating Board
Texas Education Agency

Reference No. 11-40

Procurement and Suspension and Debarment

State Fiscal Stabilization Fund Cluster - ARRA
Award year - July 9, 2009 to September 30, 2011
Award number - S397A090044
Type of finding - Significant Deficiency and Non-Compliance

Texas Education Agency (TEA)–

The requirements for suspension and debarment are contained in OMB guidance 2 CFR part 180 which require the non-Federal entity to perform a verification check for covered transactions, by checking the Excluded Parties List System (EPLS), collecting a certification from the entity, or adding a clause or condition to the covered transaction with the entity. For fiscal year 2010, approximately $350 million of State Fiscal Stabilization Fund Cluster funds were used to purchase textbooks for elementary and secondary schools. The procurement for these textbook purchases was done by TEA. None of the textbook vendors were verified by TEA as not being suspended or debarred and there was no certification of this from the vendor or clause in their respective contracts. Per review of EPLS, the vendors were not suspended or debarred, so there are no questioned costs.

Questioned Cost:	$ 0
US Department of Education	

West Texas A&M -

Under the Texas Government Code, Chapter 2155, subchapter A General Provisions, Section 2155.005(a), a bidder offering to sell goods or services to the state shall certify on each bid submitted that neither the bidder, nor the person represented by the bidder, nor any person acting for the represented person has:

1. violated the antitrust laws codified by Chapter 15, Business & Commerce Code, or the Federal antitrust laws; or
2. directly or indirectly communicated the bid to a competitor or other person engaged in the same line of business.

One of the four non-textbook procurement files did not include the required anti-trust certification as the procurement was exempt from competitive bidding requirements. West Texas A&M includes the anti-trust provisions in their invitation to bid correspondence. During field work, West Texas A&M obtained the anti-trust certification for the respective procurement file.

Recommendation:

A procurement checklist or other similar control should be implemented to ensure that all required signatures and items, including EPLS and terms and conditions, are included in the procurement file prior to the award being made.

Management Response and Corrective Action Plan - TEA:

The Texas Education Agency management agrees with the recommendation and has already taken action to centralize the development of textbook contracts. In November 2009, the agency's contract and legal offices recognized the inconsistent contract terms in the Textbook Publisher Contracts and worked with the division of Instructional Materials to update existing contract templates. Since the division of instructional materials was in the middle of a textbook adoption that requires approval from the State Board of Education, the agency decided to phase in the new contract templates commencing with the electronic and open source textbooks. Competitive solicitations were let to the public in January 2010 that contained the agency's standardized Execution of Offer, Affirmations of Terms and Conditions, and Proposal Preferences. In addition, the agency's Internal Audit Division had also completed an audit of the Textbook Publisher Contracts, Internal Audit Report No. 10-02 and a follow-up to the audit recommendations was conducted in November 2010. The audit follow-up concluded that standardized publisher contract templates were being developed as well as a formal procedure for review of contract templates pending legislative changes. The centralization of all contracting processes ensures that the agency verifies the vendors' status that includes suspension or debarment prior to award of a contract. In addition, all contracts will be reviewed by the agency's contract's division to ensure compliance with mandated terms and conditions.

Implementation Date: *November 2009 - May 2011*

Responsible Person: *Norma Barrera*

Management Response and Corrective Action Plan – West Texas A&M University (WTAMU):

As noted above, West Texas A&M University has obtained the anti-trust certification. The university has controls and processes in place and will continue to insure that all required documents are included with each vendor payment.

Implementation Date: *February 15, 2011*

Responsible Person: *Bryan Glenn*

West Texas A&M University

Reference No. 09-117

Special Tests and Provisions - Disbursements To or On Behalf of Students

Student Financial Assistance Cluster
Award years - July 1, 2007 to June 30, 2008
Award number - CFDA 84.032 Award Number Not Applicable
Type of finding - Significant Deficiency and Non-Compliance

Initial Year Written:	2008
Status: Implemented	
U.S. Department of Education	

If an institution credits a student's account at the institution with Federal Perkins Loans (FPL) or Federal Family Education Loan Program (FFELP) loans, no earlier than 30 days before and no later than 30 days after crediting the student's account, the institution must notify the student or parent of (1) the date and amount of the disbursement, (2) the student's right or the parent's right to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan, and (3) the proceeds and the time by which the student or parent must notify the institution that he or she wishes to cancel the loan or loan disbursement. The requirement for FFELP loans applies only if the funds are disbursed by electronic funds transfer payment or master check. The notification can be in writing or electronic (Title 34, Code of Federal Regulations, Section 668.165).

West Texas A&M University (University) has a manual process for maintaining documentation of when it sends disbursement notification letters. However, it did not consistently use this manual process, and it had no compensating controls for identifying when it sent disbursement notification letters. The University could not provide documentation indicating that it sent disbursement notification letters to 3 of 33 (9 percent) students tested. In addition, for 21 of 33 (64 percent) students tested, the University could not provide documentation showing that it sent the spring 2008 FFELP disbursement notification letters within 30 days of crediting the students' accounts. Documentation showed that the University sent these students notification letters for the fall 2007 semester.

Corrective Action:

Corrective action was taken.