PROJECT SUMMARY

Overview

Administration and oversight of Texas A&M University camps and enrichment programs (camps) requires significant improvement to ensure all camps are operating in compliance with applicable rules and standard administrative procedures. The Division of Student Affairs, specifically the Department of Student Activities, is responsible for providing the administrative and oversight function for all University camps. Weaknesses identified include discrepancies in written camp requirements, limited communication of these requirements, and a lack of proactive compliance monitoring and communication of results. In addition, we noted limited resources designated for the camp risk assessment process and insufficient support service fee assessments. These weaknesses increase the University’s risk for mismanagement of resources and noncompliance with camp requirements. Opportunities for improvement also exist regarding management of the Deerfoot Youth Camp, records retention requirements, and insurance clarification.

Summary of Management’s Response

The Department of Student Activities takes a proactive approach to identifying, assessing, and evaluating the risks associated with camps and enrichment programs, and takes the responsibility of educating others about the risks associated with these programs very seriously. The opportunities for improvement identified throughout the audit process will strengthen the risk management efforts in this area while further enhancing the services the department is able to offer.

Scope

The review of camps and enrichment programs focused on the areas of compliance, risk assessment, financial monitoring, revenues, disbursements, and technology management of the online application process. University orientation and athletic camps were excluded from the scope of this project. Activities
were reviewed for the period of March 1, 2009 through February 28, 2010. Fieldwork was conducted from October 2010 through January 2011.
OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. Administration and Oversight

Observation

The Division of Student Affairs, specifically the Department of Student Activities, needs to improve its administrative and oversight function for camps. As the unit responsible for ensuring camps comply with applicable rules and standard administrative procedures, the division needs to ensure that clear guidelines are available and that an effective monitoring system exists. Weaknesses identified in the audit include the following:

- Discrepancies between camp requirements as listed in the University rule, standard administrative procedure and on the Department of Student Activities website.

- Limited communication to inform the campus community of requirements that must be adhered to prior to holding a camp or to identify camps which have not registered through the Department of Student Activities. Deerfoot Youth Camp, whose relationship with Texas A&M University began in 1980, was identified as not having registered with the Department of Student Activities.

- Outdated written procedures regarding the online application and risk assessment process.

- Limited resources assigned to ensure completion of risk assessment procedures to be performed by the Department of Student Activities prior to, during, and after completion of camps.

- Ability of deans and department heads to approve camps without knowledge of why the Department of Student Activities did not recommend approval.

- Support service fee assessments not assessed to all applicable camps; this fee is intended to provide resources to the Department of Student Activities for oversight of camps. Current assessments are sufficient to only cover payroll expenses. Additional assessments could provide for items such as training and information technology expenses.
1. Administration and Oversight (cont.)

- Late fee assessments not assessed where applications were not submitted by timelines established according to the standard administrative procedure and the Department of Student Activities.

A stronger administrative and oversight function is needed to reduce the University's risk of mismanagement and noncompliance, which in turn will decrease the potential for harm to campers and reputational risk for the University.

**Recommendation**

Strengthen administration and oversight of camps by ensuring camp requirements are current, consistent and regularly communicated. Establish a proactive component of the compliance monitoring system to identify camps which may not be in compliance with requirements and to communicate issues which may lead to noncompliance. Designate resources for full implementation of the camp risk assessment process to include a review of risks identified on the application, camp site visit(s), and a final meeting with responsible parties after completion of the camp. Ensure support service fee and late fee rates are appropriate and assessed as required in the University rule and standard administrative procedure. Notify University management when noncompliance occurs.

**Management’s Response**

*The Department of Student Activities will strengthen its administrative oversight of camps and enrichment programs through the following actions:*

- **University rule and standard administrative procedure edits were submitted on May 10, 2011 to reflect current practices, including the timeline for application submissions, required evidence of background checks, and the incident reporting process. These edits were implemented and notification of the changes was sent by University Risk & Compliance on June 30, 2011.**

- **In preparation for the current camp season, the Department of Student Activities increased communication to the campus community regarding requirements and best practices through workshops, meetings, and multiple emails. A comprehensive plan aimed at enhancing these efforts and more fully educating the campus community about University requirements will be developed by August 31, 2011. This plan will incorporate strategies that encourage the identification of camps and**
2. Administration and Oversight (cont.)

enrichment programs that have not registered through the Department of Student Activities.

- A formalized plan for the implementation of a comprehensive risk management process, to include the review of information submitted on program applications, selected site visits, and post-program assessments, will be developed by August 31, 2011.

- A desk manual that documents the procedures followed throughout the review and approval process was completed May 23, 2011. This manual will be reviewed bi-annually by the Camps & Enrichment Programs staff to ensure it is updated with current information and practices.

- An evaluation of the support service fees and late fees will be conducted with the goal of implementing changes to the assessment of these fees by February 29, 2012.

- Procedures will be established to inform University management of noncompliance by August 31, 2011.

In addition to the steps outlined above, the Department of Student Activities will establish a committee to perform a comprehensive review of the University rule and standard administrative procedure that govern the camp and enrichment program process. This committee will begin meeting by August 31, 2011 with the goal of implementing revisions by February 29, 2012.

2. Deerfoot Youth Camp

Observation

Administrative oversight of Deerfoot Youth Camp is not being performed as described in the original endowment proposal for the Thomas A. and Joan Read Chair for Disadvantaged Youth. The proposal, developed by the Department of Health and Physical Education Professor and Department Head in place at the time, details the following:

“…the Read Chair would provide salary and operating funds for a faculty member who would divide time between teaching/research and supervising camp activities. All endowed chair funds not required for salary would be available to the individual holding the Read Professorship as operating funds so that services to disadvantaged youth could be emphasized. The Read Chair would assure that ample faculty time is given, during the fall and
spring semesters, to planning, organizing, and training activities essential for an efficient and effective camp operation. Furthermore, the Read Chair would maximize university supervision of programming during the operating dates of the camp.”

An official endowment agreement was not created subsequent to the proposal; however, the endowment was established at the Texas A&M Foundation with funds transferred to the University for operational management. The current holder of the Read Chair, who also serves as the Department Head for Health and Kinesiology, is not involved in operations of Deerfoot Youth Camp.

We also noted that expenses were being charged to the Read Chair endowment that did not comply with the endowment’s restrictions. We noted eight of twenty-one (38%) expenses totaling approximately $11,350 that were in noncompliance with restrictions. A memorandum of agreement (MOA) regarding the Thomas A. and Joan Read Chair for Disadvantaged Youth between Mrs. Joan Read and the University, put in effect in 2001, allowed for an amount of up to 30% of the annual earnings from the endowment income to pay the salary, benefits, and living expenses of a camp supervisor. According to the MOA, the camp supervisor will typically be employed as a faculty member in the Department of Health and Kinesiology during the nine months of the academic year and paid from state funds and then paid during the summer months from the apportioned 30% of annual earnings from the endowment. The supervisor’s duties are listed as recruitment and oversight of camp staff, supervision of camp programming, liaison with officers and staff of Read Youth Charities, and advisement for distribution of Read Scholarships in the Department of Health and Kinesiology. The MOA also clarifies that funds from the Read Chair for the salary, benefits, and expenses of the camp supervisor will be administered by the Head of the Department of Health and Kinesiology.

The eight expenses identified, paid from an account established specifically for the 30% apportionment, could not be categorized as salary, benefits, or living expenses of the camp supervisor. Identified expenses included items such as conferences and business meals, some of which had no direct or indirect affect on Deerfoot Youth Camp. Approval for procurement card transactions was provided by a Health and Kinesiology Business Coordinator I while vouchers were approved by a Business Administrator II.

During the audit period, 156 non-payroll related transactions totaling approximately $30,500 were processed through this
2. Deerfoot Youth Camp (cont.)

particular endowment account. Noncompliance with requirements in the MOA increases the University’s risk for donor disagreements and financial liabilities.

Recommendation

Determine if the proposal and subsequent MOA are meeting the University’s needs regarding the relationship with Deerfoot Youth Camp. Ensure that oversight controls are established and maintained in accordance with endowment requirements either as currently described or as updated.

Strengthen controls over University managed accounts established from the Thomas A. and Joan Read Chair for Disadvantaged Youth Endowment to ensure only expenses meeting endowment restrictions, either as currently described or as updated, are allowed.

Management’s Response

The relationship between Deerfoot Youth Camp and the University will be reviewed by University management. Additionally, an updated MOA will be pursued to replace the original proposal and existing MOA. As part of the update, we intend to clarify the requirements regarding the Read Chair, department head and camp supervisor as related to camp activities and financial administration. The existing MOA allows for a limited amount of endowment earnings to be used for salary, benefits and living expenses. The proposal indicates that funds not required for salary are allowed for activities emphasizing services for disadvantaged youth. Salary, benefits and living expenses did not exceed the 30% allowed by the existing MOA. In the updated MOA, we will clarify how the remaining portion of the 30% may be utilized. Target date for updating the MOA is February 29, 2012.

3. Retention of Waiver and Release Forms

Observation

Waiver and release forms were not retained as required by the State of Texas Records Retention Schedule for departments overseeing three of nine (33%) camps tested. According to the State of Texas Records Retention Schedule and the System Office of General Counsel, waiver and release forms for participants under the age of 18 should be held two years from the date the individual turns 18 or the close of any litigation (whichever is longer) plus one additional year. For adult participants, waiver and release forms should be maintained two
3. Retention of Waiver and Release Forms (cont.)

years from the date of the activity or the close of any litigation (whichever is longer) plus one year. Management overseeing several camps tested was not aware of the retention requirements. Improper retention of waiver and release forms may hinder defense of the University should legal proceedings occur after completion of a camp.

Recommendation

Determine, with the assistance of the Texas A&M System Office of General Counsel and the Texas A&M Office of Risk and Compliance, whether a more manageable retention period for camp waivers exists.

Ensure camp waiver and release forms are maintained according to the retention period deemed appropriate.

Management’s Response

In consultation with the System Office of General Counsel and the Records Management Office, Student Activities will determine a manageable retention period for camp waivers. The resulting expectations will be communicated to program sponsors by August 31, 2011. A plan for ensuring waiver forms are maintained for the appropriate period of time will be developed by August 31, 2011.

4. Insurance Coverage

Observation

Insurance requirements are not clear regarding extent of coverage.

University Rule 11.99.99.M1, Camps and Enrichment Programs, does not specifically state whether the general liability and accident medical insurance coverage required for camps is to include only campers or both campers and counselors. While camps tested did have insurance coverage, counselors were not consistently covered under the policy. Inadequate insurance coverage or lack of awareness of limited coverage could be detrimental to both the University and counselor should an incident occur.

Recommendation

Determine whether insurance required for camps should provide coverage for both campers and counselors.
4. Insurance Coverage (cont.)

If counselors are not to be covered under the required insurance policy ensure they are provided notice the camp insurance will not be available to them.

Management’s Response

In consultation with the System Office of Risk Management, insurance coverage requirements will be determined. The rule and Student Activities website will be updated to reflect these requirements by February 29, 2012.
BASIS OF REVIEW

Objective

The objective of the audit was to review the financial and management controls over selected enrichment camps to determine if resources are used efficiently, effectively, and in compliance with laws, policies, regulations, and rules.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System, the Treadway Commission's Committee of Sponsoring Organization's Internal Control Integrated Framework (COSO), and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors' “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

The Department of Student Activities was tasked with the responsibility for oversight of University camps in September 2005. The University hosted multiple sessions of approximately 110 camps, which served approximately 26,000 campers, from March 2009 through February 2010 and included day participation and overnight camps. Camp content ranged from activities such as engineering workshops to rock climbing and served children as young as five years old.
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