Overall Conclusion

Texas A&M University generally had controls in place to ensure compliance with the grant conditions for two of its three Cancer Prevention Research Institute of Texas (CPRIT) grants. The university failed to maintain documentation for the work performed and reported to CPRIT for one of the grants resulting in $321,782 of questioned costs. In addition, the university did not ensure that employee effort certifications were completed on all employees charging time to the grants as required by the state's grant management standards. Noncompliance with grant conditions and standards increases the university's risk for penalties and sanctions. For the three-year period under review, the university had three CPRIT grants totaling $1.6 million.

- Project Number PP100214: Development, Implementation, and Evaluation of a Cancer Genomics Training Program for Texas Health Educators, award amount $300,000
- Project Number PP110058: More Than A Picnic: It's A Family Affair for Lifestyle Change, award amount $539,227
- Project Number PP121002: Examination of the Pharmacological Properties of a Novel Antifungal Named Occidiofungin, award amount $777,884

Detailed Results

1. Missing Documentation and Failure to Notify

Texas A&M University could not provide documented support for the grant work conducted and reported to CPRIT for one of its CPRIT grants. The prevention grant, More than a Picnic: It's A Family Affair for Lifestyle Change in the amount of $539,277, was awarded to the university in March 2011. The grant ended February 28, 2013 and the university expended $321,782 of the total award. The principal investigator (PI) for this grant separated from the university on February 28, 2013 and documentation of the work performed on the grant was not available. Section 4.01 of the contract states, “The recipient shall maintain records, documents...
and other evidence pertaining in any way to its performance under this contract." The lack of documentation resulted in questioned costs of $321,782.

In addition, the university did not notify CPRIT of its noncompliance when it became evident that the work performed and reported to CPRIT could not be supported as required in the contract. According to CPRIT’s requirements, “Recipients must report promptly to CPRIT the failure to comply with the terms and conditions of an award.” Noncompliance with grant conditions increases the university’s risk for penalties and sanctions.

**Recommendation**

The university should strengthen research data management to help ensure that supporting documentation is retained for any information reported to CPRIT according to contract terms and ensure the process addresses employee separations.

The university should also establish a process to ensure that they notify CPRIT promptly when the university fails to comply with grant conditions as required in the contract.

**Management’s Response**

*Texas A&M University agrees with this finding and recommendation and will strengthen its contract compliance and obligations to the sponsor regarding research data management by revising the procedure addressing separation of employees from the university. Roles and responsibilities for the department, college or repository responsible for the data will be redefined to ensure that the university meets its obligations to the sponsor to retain or transfer the data in accordance with the sponsored agreement and/or via an agreement between the institutions if data is to be transferred with the PI. Monitoring of data management will be performed and any breach of the contract or failure to comply will be submitted to the sponsor by the university through Texas A&M System Sponsored Research Services. The new standard operating procedure will be submitted for approval by May 31, 2014. Approval of the procedure is anticipated by December 31, 2014.*

2. **Time and Effort Certifications**

Certifications were not supported by the employee’s certification of effort as required for 3 of 30 (10%) certifications tested. The missing effort certifications were the result of students working on a grant and graduating before they certified their effort on the grant. The PI could have certified the
students’ effort, but did not. State uniform grant management standards (UGMS) require that personnel must certify semi-annually their effort on state funded awards.

**Recommendation**

The university should develop monitoring processes to ensure that time and effort certifications are complete, accurate, and include all employees with time charged to a project.

**Management’s Response**

*Texas A&M University agrees with the finding and recommendation. The three (3) outstanding effort documents have been certified. The university continues to work towards 100% certification and has been working with the SSO Time and Effort system administrators to implement an automated certification timeline for the escalation of e-mail notifications to department heads, deans, and to executive administration of the university. These system improvements are currently in process with an estimated implementation by the December 2014 certification period. The escalation e-mails will begin during the 45-day certification period in an effort to prevent noncompliance. Implementation of the timeline will include an out-of-compliance report after the 45-day certification period to be distributed to the PI’s administrative channels and to the Office of the Vice President for Research who oversees compliance of time and effort.*
Basis of Review

Objective and Scope

The objective of this audit was to test Texas A&M University’s compliance with CPRIT’s policies and procedures associated with CPRIT grants. Transactions related to these grants were reviewed for the period of September 2009 to August 2012. Fieldwork was conducted from October 2013 to January 2014.

Criteria

The audit team used CPRIT’s audit methodology as criteria to determine if:

- Required reports were filed timely.
- Expenditures were allowable and related to grant activities.
- Personnel level of effort reporting is tracked, reviewed, and certified for accuracy.
- Performance measures are reported accurately based on supporting documentation.
- All other requirements set forth in grant conditions were met.

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System 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.
Audit Team

Charlie Hrncir, CPA, Director
Kim Rutledge, CISA, Audit Manager
Chesney Cote, CPA
Katina Greenlee, CPA

Distribution List

Dr. Mark Hussey, Interim President
Dr. Glen Laine, Vice President for Research
Ms. B.J. Crain, Vice President for Finance & Administration
Dr. Jon Mogford, Vice Chancellor for Research
Mr. Leo Paterra, Executive Director, Sponsored Research Services
Mr. Charley Clark, Associate Vice President for University Risk and Compliance