## Executive Summary

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<th>Audit Objective</th>
<th>PVC Leader</th>
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<td>Determine if funds expended for the Over 70 Nursing Shortage Reduction Program were allowable under the Program Announcement guidelines.</td>
<td>Dr. Robert Vela</td>
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## Background

The Texas Legislature appropriated funds to the Texas Higher Education Coordinating Board (THECB) to help increase the total number of nursing graduates. The Over 70 Nursing Shortage Reduction Program distributed funds to institutions with a graduation rate of 70% or greater. Funds were divided among eligible institutions based on the number of graduates the institution had each fiscal year.

In fiscal year 2010, $490,000 was awarded to San Antonio College. An additional $155,696 was awarded in 2011 for exceeding the established target enrollment.

As required by the Program Announcement and the Texas Administrative Code Title 19, Part 1, Chapter 22, Subchapter S, Rule 22.508 (c), these awards are subject to an independent (internal or external) audit within six months after the end of the fiscal year in which funds have been expended.

## Findings

- Over 70 Program funds were accounted for separately and properly recorded.
- Of the $645,696 awarded, 98.8% were used to pay nursing salaries and 1.2% were allowable expenditures for professional development of faculty.
- As August 31, 2014, all funds for the Over 70 Program were expended.

## Conclusion

The funds expended for the Over 70 Nursing Shortage Reduction Program were allowable under the Program Announcement guidelines.
SCOPE AND METHODOLOGY
The following audit procedures were performed:

- Review of the Nursing Shortage Reduction Program Announcement;
- Tests of salary and non-salary expenditures against Program allowable cost guidelines.

The audit period was September 1, 2010 through August 31, 2014.

CRITERIA
Texas Administrative Code Title 19 Education Part 1 Texas Higher Education Coordinating Board Chapter 22 Grant and Scholarship Programs
Subchapter S Professional Nursing Shortage Reduction Program
§22.507 Required Reporting of Award Expenditures
§22.508 Expenditure Restrictions, Accounting Requirements, and Audit Provisions

Program Announcement – Professional Nursing Shortage Reduction Program – Institutions with Over 70% Nursing Graduation Rate in Fiscal Year 2008 dated August 18, 2009.

AUDITING STANDARDS
We conducted this audit in accordance with generally accepted governmental auditing standards except for the peer review. 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 the audit objectives. We believe that the evidence obtained provides a reasonable basis for the findings and conclusions based on our audit objectives.

This audit was also conducted in conformance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

ACKNOWLEDGEMENTS
We would like to acknowledge and thank management and staff at the San Antonio College Department of Nursing Education and the Finance & Fiscal Services Grants and Contracts Department who assisted us in completing this review.

AUDIT REPORT DISTRIBUTION
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