



An Audit of the **Texas Board of Professional Geoscientists**

Audit Report #481-23-01
October 20, 2023

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Executive Summary

Purpose and Scope

The objectives of this audit were to determine whether the Texas Board of Professional Geoscientists (Board):

- Processed payments according to applicable state laws, Comptroller requirements and statewide automated system guidelines.
- Maintained documentation to support those payments.
- Properly recorded capital and high-risk assets.
- Implemented appropriate security over payments.

This audit was conducted by the Texas Comptroller of Public Accounts (Comptroller's office), and covers the period from Dec. 1, 2021, through Nov. 30, 2022.

Background

The Texas Board of Professional Geoscientists was created by Texas Senate Bill 405, 77th Legislature, Regular Session (2001). The Board's mission is to protect public health, safety, welfare and the state's natural resources by ensuring only qualified persons carry out the practice of geoscience and enforcing its Code of Professional Conduct for its licensees.

Texas Board of Professional Geoscientists website
<https://tbpg.state.tx.us/>



Audit Results


The Board generally complied with the General Appropriations Act (GAA), relevant statutes and Comptroller requirements. Auditors found no issues with payroll, refunds of revenue and property management. However, the Board should consider making improvements to its purchase/procurement and travel processes.

The auditors reissued two findings relating to the state use contract and lack of conservation of state funds. Auditors originally issued these findings in March 2018, as part of the previous audit. An overview of audit results is presented in the following table.



Table Summary

Area	Audit Question	Results	Rating
Payroll Transactions	Did payroll transactions comply with the GAA, pertinent statutes and Comptroller requirements?	No issues	Fully Compliant
Purchase and Payment Card Transactions	Did purchase and payment card transactions comply with the GAA, pertinent statutes and Comptroller requirements?	 State contract not used (WorkQuest). <ul style="list-style-type: none"> • Missing vendor compliance verifications. • Prompt payment and payment scheduling errors – interest loss to the state treasury. 	Compliant, Findings Issued
Travel Transactions	Did travel transactions comply with the GAA, pertinent statutes and Comptroller requirements?	 Lack of conservation of state funds/missing cost comparisons for mileage. <ul style="list-style-type: none"> • State travel contracts not used. • Gratuities not payable. • Missing itemized hotel receipt. 	Compliant, Findings Issued
Refund of Revenue Transactions	Did refund of revenue transactions comply with the GAA, pertinent statutes and Comptroller requirements?	No issues	Fully Compliant
Fixed Assets	Were tested assets in their intended location and properly reported in the State Property Accounting system?	No issues	Fully Compliant
Targeted Analysis	Did targeted analysis transactions comply with the GAA, pertinent statutes and Comptroller requirements?	No issues	Fully Compliant

 Repeat Finding



Key Recommendations

Auditors made several recommendations to help mitigate risk arising from control weaknesses. Key recommendations for the Board include:

- Ensure that it uses state contracts and that the exceptions to the use of these contracts are documented in the purchase file.
- Conduct all vendor compliance verifications, retain the results, and include them as evidence in the procurement file.
- Review its procedures to ensure it schedules payments for processing in compliance with state law.
- Require a cost analysis before management approves travel plans to ensure the most cost-efficient method of travel.
- Ensure travelers use the state travel contracts unless an exception is noted and charge all airfare to a state-issued travel credit card.
- Ensure all travel expense claims are thoroughly reviewed for legality and accuracy before payment.
- Ensure that employees and board members who travel and request reimbursement understand the documentation requirements.



Detailed Findings

Payroll Transactions

Auditors developed a sample totaling \$51,885.56 from a group of six employees and 30 payroll transactions to ensure the Board complied with the GAA, [Texas Payroll/Personnel Resource \(FPP F.027\)](#) and pertinent statutes. Audit tests revealed no exceptions in this group of transactions.

Purchase and Payment Card Transactions

Auditors developed a sample of 25 purchase transactions totaling \$30,961.78 and three payment card transactions totaling \$1,887.27 to ensure that the Board complied with the GAA, [eXpendit \(FPP I.005\)](#) and pertinent statutes. Audit tests revealed the following exceptions in these transactions.

State Contract Not Used (WorkQuest)

Auditors identified one transaction where the Board failed to use the WorkQuest catalogs to procure items that were on the state contracts. The Board did not identify any exceptions to the use of the contract in its supporting documentation for the purchase. The Board stated this occurred due to lack of training.

Commodity items and services offered in the WorkQuest catalog are reviewed and approved by the Texas Workforce Commission (TWC). If a product is approved, it is set aside from competitive bidding and placed on a term contract. Purchases of services approved by TWC do not require competitive bidding. See [State of Texas Procurement and Contract Management Guide – The State Use Program](#).

Recommendation/Requirement

The Board must ensure that the set-aside contracts for goods and services offered by WorkQuest receive priority over open-market purchases, and that the exceptions to the use of these contracts are documented in the purchase file.

Board Response

The Agency agrees with the finding and recommendation. TBPG will utilize State contracts for all goods and services. WorkQuest will be priority prior to seeking open market purchases. Documentation will be included if exceptions are used.



Missing Vendor Compliance Verifications

The Board was unable to provide documentation that it performed the vendor compliance verifications (VCV) for one payment card and eight purchase transactions. The Board must provide dated proof to show it performed each verification. According to the Board, this occurred due to a lack of understanding of the documentation requirements for the VCVs.

Iran, Sudan, and Foreign Terrorist Organization List Check

The Board was unable to provide proof staff conducted the Iran, Sudan, and foreign terrorist organization check for eight purchase transactions. Agencies may not contract with a company doing business with Iran, Sudan, or a foreign terrorist organization. See [Texas Government Code, Section 2252.001, 2252.151\(4\)](#) and [2252.152](#). Before award, the Board must check the divestment lists to confirm the potential awardee is not in violation of this requirement. See [Texas Government Code, Section 2252.152](#). The divestment lists are maintained by the Texas Treasury Safekeeping Trust Company and posted to the Comptroller's [Divestment Statute Lists](#). If the business is in violation, an agency may not award the contract to that vendor.

System for Award Management (SAM) and Office of Foreign Assets Control (OFAC) Check

Auditors noted that the Board did not search the SAM database for eight purchase transactions before procuring goods or services. The Board must check the SAM database to verify that the vendor is not excluded from contract participation at the federal level. A contract cannot be awarded to a vendor listed on the U.S. Treasury Department, OFAC's master list of specially designated nationals and blocked persons (with limited exceptions set forth in [Presidential Executive Order 13224](#)).

Debarment Check

The Board did not search the Debarred Vendor List for eight purchase transactions before procuring goods or services. The contract developer (purchaser) must check the [Debarred Vendor List](#) posted on the Comptroller's website to confirm the vendor has not been debarred by the Statewide Procurement Division (SPD). See [State of Texas Procurement and Contract Management Guide – Debarment Check](#). [Texas Government Code, Section 2155.077](#), states that an agency must not award a contract to a debarred vendor. SPD may bar a vendor from participating in state contracts for substandard performance, material misrepresentations, fraud, breach of contracts with the state, repeated unfavorable performance reviews under [Texas Government Code, Section 2155.089](#) or repeated unfavorable classifications under [Texas Government Code, Section 2262.055](#). If a vendor is barred, SPD determines the period of debarment.



Warrant Hold Check

Auditors identified one payment card transaction where the Board did not document the verification of the vendor's warrant hold status before making a purchase. The Board must check warrant hold if a payment card purchase is over \$500. See [TexPayment Resource – Hold Special Circumstances – Payment Card Purchases](#) and [State of Texas Procurement and Contract Management Guide – Warrant/Payment Hold Check](#).

Recommendation/Requirement

The Board must conduct all VCVs before any purchase, contract award, extension or renewal. The Board must retain the dated results from each specified website and include them as evidence in the procurement file.

Board Response

The Agency agrees with the finding and recommendation. TBPG will conduct vendor compliance verification, retain the results, and include them as evidence in the procurement file.

Prompt Payment and Payment Scheduling Errors – Interest Loss to the State Treasury

Auditors identified one purchase transaction greater than \$5,000, that the Board paid early, resulting in interest lost to the state. The Board did not provide documentation to justify the early distribution and stated that it occurred due to lack of training.

To maximize the interest earned on funds held by the state, agencies are required to schedule their payments in the Uniform Statewide Accounting System (USAS). Payments over \$5,000 must be scheduled for distribution 30 days from the last received, either the invoice or completion of services/receipt of goods, or:

- As prescribed by the contracts or specific agreements covering the payments.
- On the last day a payment can be made without accruing interest under the prompt payment law.

Otherwise, agencies must justify the cost effectiveness of making a payment early or explain the state business reason for paying early. See [eXpendit: Payment Scheduling](#). There is a [Prompt Payment Due Date and Interest Rate Calculator](#) on the eXpendit website that can be used to calculate due dates.

Recommendation/Requirement

The Board must review its procedures to ensure it schedules payments for processing in compliance with state law. The Board must verify that proper due dates are entered to ensure that payments are paid correctly to vendors. See [eXpendit \(FPP I.005\)](#).



Board Response

The Agency agrees with the finding and recommendation. TBPG will verify invoice due dates and process & pay invoices according with state law.

Travel Transactions

Auditors developed a sample of 15 travel transactions totaling \$3,641.89 to ensure the Board complied with the GAA, [Textravel \(FPP G.005\)](#) and pertinent statutes. Audit tests revealed the following exceptions for this group of transactions.

Lack of Conservation of State Funds/Missing Cost Comparisons for Mileage

Auditors identified four travel vouchers where the Board reimbursed travelers for mileage while operating personal vehicles to conduct official business. In these instances, a cost comparison was not done prior to the trip to determine the most cost-effective method of travel. For two of the travel vouchers, it was determined that it would have cost the state less if the board members had used rental vehicles instead of personal vehicles. This determination was based on a comparison of the car rental rates, taxes, cost of gas and standard mileage rates in effect at the time of travel. The Board stated that this occurred due to employee error as the cost comparisons were done but the documentation was not retained.

[Texas Government Code, Section 660.007\(a\)](#) requires a state agency to minimize the amount of travel expenses paid or reimbursed. The agency must ensure that each travel arrangement is the most cost effective considering all relevant circumstances. Agencies must examine all travel reimbursements before payment to ensure compliance with applicable regulations and limitations. See [Textravel - Home - Responsibilities](#) and [Textravel - Transportation - Mileage in Personal Vehicle - Mileage Calculation](#).

Recommendation/Requirement

The Board should consider restricting the mileage reimbursement amount to the lower of mileage reimbursement or car rental costs. The analysis can be completed and documented using the [Rental Vehicle vs. Mileage Reimbursement Calculator](#) or any other method the traveler/agency chooses to use. In addition, the Board should require a cost analysis before management approves travel plans to ensure the most cost-efficient method of travel.

Board Response

The Agency agrees with the finding and recommendation. The Agency will continue working and training employees on all policies and procedures related to travel, in addition to monitoring expenditures for fiscal responsibility. The Staff will be trained to always use the



cost comparison analysis need to determine the most cost effective method. The mileage calculator is completed with each travel voucher issued using MapQuest to always ensure the most cost efficient method for the state.

State Travel Contracts Not Used

Auditors identified four travel reimbursements for hotel stays and one travel reimbursement for airfare where the traveler did not use the state travel contract. In addition, the airfare was purchased using the travelers personal credit card and not an agency travel card as required. There were no valid exceptions noted on the travel vouchers/forms at the time they were processed. Contract travel services through the State Travel Management Program must be used unless an approved exception exists. The exception must appear on or be included with the travel voucher. See [34 Texas Administrative Code Sections 20.406\(b\), 20.408 and 20.413](#). The Board acknowledged that better justifications and documentation must be kept. It stated that all reimbursements were within the allowable rates for the areas or lower than what was available on the state contract.

Recommendation/Requirement

The Board must ensure travelers use the state travel contracts unless an exception is noted and charge all airfare to a state-issued travel credit card.

Board Response

The Agency agrees with the finding and recommendation. State travel contracts will be used in all travel. If an exception is used TBPG will document the cost comparison detailing the cost comparison. State issued travel credit card will be utilized for travel related hotel & airfare unless there's a cheaper exception and documentation will be filed with the travel voucher.

Gratuities Not Payable

Auditors identified one travel transaction where a traveler was reimbursed for a gratuity paid to a Lyft driver. The Board said this occurred due to employee error. [Texas Constitution, Article III, Section 51](#), prohibits the use of the state's money for private purposes, including gratuities. See [Textravel - Meals and Lodging - Meals - Prohibited Reimbursements](#).

Recommendation/Requirement

The Board must ensure all travel expense claims are thoroughly reviewed for legality and accuracy before payment.



Board Response

The Agency agrees with the finding and recommendation. TBPG will review and ensure accuracy of travel vouchers prior to payment. Gratuity will never be included in travel reimbursements.

Missing Itemized Hotel Receipt

During the review of the travel sample, auditors identified one transaction where the traveler did not receive an itemized hotel receipt. The Board indicated this occurred due to employee error. According to the [TexTravel – Documentation Requirements – Lodging Expenses](#), a lodging receipt must include the following:

- The name and address of the commercial lodging establishment.
- The name of the employee.
- The single room rate.
- A daily itemization of the lodging charges.
- Proof of payment.

Also see [Texas Government Code Section 660.115](#).

Recommendation/Requirement

The Board must ensure that employees and board members who travel and request reimbursement understand the documentation requirements. The Board must ensure all travel expense claims are thoroughly reviewed for legality and accuracy before payment.

Board Response

The Agency agrees with the finding and recommendation. Itemized hotel receipts will be included in all travel vouchers and board members will be trained on documentation requirements. Travel vouchers will be thoroughly reviewed for accuracy prior to payment.

Refund of Revenue Transactions

Auditors developed a sample of three refund of revenue transactions totaling \$537 to ensure the Board complied with the GAA and pertinent statutes. Audit tests revealed no exceptions for this group of transactions.

Fixed Assets

The Board did not acquire any fixed assets during the audit period. Auditors ran a State Property Accounting (SPA) report and reviewed the assets that were reported lost,



missing or stolen for compliance with state reporting requirements. All missing assets tested were reported using the required report (Form 94-174). Audit tests revealed no exceptions in this area.

Targeted Analysis

The audit included targeted analyses outside the main samples of payroll, purchase and travel transactions. Using USAS, Citibank or other systems accessible by the Comptroller's office, auditors generate several special reports to analyze additional processes relevant to the audited entity. Such processes may include interagency transfers, refunds to payroll, proper coding of payment card transactions, and others. Audit tests revealed no exceptions in the Court's targeted analysis reports.



Appendices

Appendix 1 — Objectives, Scope, Methodology, Authority and Team

Audit Objectives

The objectives of this audit were to:

- Ensure payments are documented so a proper audit can be conducted.
- Ensure payment vouchers are processed according to the requirements of any of the following:
 - Uniform Statewide Accounting System (USAS),
 - Uniform Statewide Payroll/Personnel System (USPS),
 - Standardized Payroll/Personnel Reporting System (SPRS),
 - Human Resource Information System (HRIS) or
 - The Centralized Accounting and Payroll/Personnel System (CAPPS).
- Verify payments are made in accordance with certain applicable state laws.
- Verify assets are in their intended locations.
- Verify assets are properly recorded for agencies and institutions of higher education that use the State Property Accounting (SPA) system.
- Verify voucher signature cards and systems security during the audit period are consistent with applicable laws, rules and other requirements.

Audit Scope

Auditors reviewed a sample of the Texas Board of Professional Geoscientists (Board) payroll, purchase and travel transactions that processed through USAS and SPRS from Dec. 1, 2021, through Nov. 30, 2022, to determine compliance with applicable state laws.

The Board received appendices with the full report, including a list of the identified errors. Copies of the appendices may be requested through a [Public Information Act](#) inquiry.

Texas law requires the Texas Comptroller of Public Accounts (Comptroller's office) to audit claims submitted for payment through the Comptroller's office. All payment transactions are subject to audit regardless of amount or materiality.

The audit provides a reasonable basis for the findings set forth in this report. The Board should implement the recommendations listed in the Detailed Findings of this report. It is the Board's responsibility to seek refunds for all overpayments unless it determines it is not cost effective to do so. If necessary, the Comptroller's office may take the actions set forth in Texas Government Code, Section 403.071(h), to ensure the Board's documents comply in the future. The Board must ensure the findings discussed in this report are resolved.



Audit Methodology

The Expenditure Audit section uses limited sampling to conduct a post-payment audit, and relies on professional judgment to select areas the auditor considers high risk.

Fieldwork

Each auditor in the Expenditure Audit section approaches each audit with an appropriate level of professional skepticism based on the results of the initial planning procedures.

If an auditor suspects during an audit that fraud, defalcation or intentional misstatement of the facts has occurred, the auditor will meet with his or her supervisor, the Statewide Fiscal Oversight manager, or both, to decide what action or additional procedures would be appropriate.

Audit Authority

State law prohibits the Comptroller's office from paying a claim against a state agency unless the Comptroller's office audits the corresponding voucher.

- Texas Government Code, Sections 403.071(a), 403.078, 2103.004(a)(3).

State law allows the Comptroller's office to audit a payment voucher before or after the Comptroller's office makes a payment in response to that voucher.

- Texas Government Code, Section 403.071(g)-(h).

In addition, state law authorizes the Comptroller's office to conduct pre-payment or post-payment audits on a sample basis.

- Texas Government Code, Sections 403.011(a)(13), 403.079, 2155.324.

Audit Team

Amanda Price, CFE, CTCD, CTCM, Lead Auditor

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Anna Calzada, CTCD, CTCM



Appendix 2 — Definition of Ratings


Compliance Areas

Definition	Rating
Agency complied with applicable state requirements and no significant control issues existed.	Fully Compliant
Agency generally complied with applicable state requirements; however, control issues existed that impact the agency's compliance, or minor compliance issues existed.	Compliant, Findings Issued
Agency failed to comply with applicable state requirements.	Noncompliant
Restrictions on auditor's ability to obtain sufficient evidence to complete all aspects of the audit process. Causes of restriction include but are not limited to: <ul style="list-style-type: none">Lack of appropriate and sufficient evidentiary matter.Restrictions on information provided to auditor.Destruction of records.	Scope Limitation

Internal Control Structure/Security Areas

Definition	Rating
Agency maintained effective controls over payments.	Fully Compliant
Agency generally maintained effective controls over payments; however, some controls were ineffective or not implemented. These issues are unlikely to interfere with preventing, detecting, or correcting errors or mitigating fraudulent transactions.	Control Weakness Issues Exist
Agency failed to effectively create or implement controls over payments.	Noncompliant

Repeat Finding Icon Definition

-  This issue was identified during the previous post-payment audit of the agency.