This is to certify that The University of Texas Health Science Center at San Antonio has been included in the State of Texas Single Audit for fiscal year 2021 that ended August 31, 2021.


There were no questioned cost findings reported for The University of Texas Health Science Center at San Antonio for fiscal year 2021. As detailed in the report on page 231 (2021-105) and attached, there was only one (1) non-financial finding that was related to equipment and real property management controls. Our Corrective Action Plan for this finding was as follows:

**Equipment:**

UT Health-San Antonio’s Property Control group will work with department inventory contacts during the current and subsequent annual inventory processes to ensure asset location identifiers are updated and serial numbers are correct. The University’s Property Control group will also communicate with departments by email and virtual annual inventory preparation meetings to reinforce the importance of updating asset location identifiers and reviewing serial numbers, and to notify Property Control when assets are missing or no longer in the department’s possession to ensure proper documentation is completed and on file.

**Equipment Disposition:**

UT Health-San Antonio experienced a unique and unprecedented circumstance this fiscal year with preparation efforts to quickly decommission and sell an existing building. These efforts included auctioning obsolete assets that remained in the building first at no cost to internal departments and then to the general public. The institution will review and modify the Handbook of Operating Procedures policy to incorporate the Property Deletion Request process related to retired facilities. The modified policy will include guidance and a special form when a multi-department mass deletion request is required for efficiency.

Please note there were no Pass-through entities affected by this finding.

Further questions or inquiries about this audit may be addressed to the undersigned at grants@uthscsa.edu or via telephone at 210.567.2340.
2021 – 105

Equipment and Real Property Management

Federal Program Title: Research and Development Cluster
Federal Agency: U.S. Department of Health and Human Services
Award years: See below
Award numbers: See below
Statistically valid sample: No and not intended to be a statistically valid sample
Type of finding: Significant Deficiency and Non-Compliance
Questioned Costs: $0
Repeat Finding: No

Equipment

A recipient’s property records for equipment acquired with federal funds must be maintained accurately and include all of the following: a description of the equipment; serial number or other identification number; the source of funding for the equipment, including the federal award identification number; who holds the title; acquisition date and cost of the equipment; the percentage of federal participation in the cost of the equipment; the location, use, and condition of the equipment; and ultimate disposition data, including the date of disposal and sale price (Title 2, Code of Federal Regulations (CFR), Section 200.313(d)(1)). A control system must be developed to ensure that adequate safeguards are in place to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft must be investigated (Title 2, CFR, Section 200.313(d)(3)).

The University of Texas Health Science Center at San Antonio (Health Science Center) did not maintain accurate property records for 8 (13 percent) of 62 equipment items tested. Specifically, for each of those eight equipment items, the property record contained an incorrect location, serial number, or both. Those errors occurred because the Health Science Center did not enter information into its property record accurately or the asset management department was not notified when there were changes to the equipment items, such as relocation.

In addition, the Health Science Center did not adequately safeguard 2 (3 percent) of 58 equipment items selected for physical inspection. The property record for each of those items indicated they were in-service; however, the Health Science Center was unable to locate the items when auditors selected them for testing.

Not maintaining accurate property records and not adequately safeguarding equipment increases the risk that equipment may be misused, lost, or stolen.

Equipment Disposition

The Health Science Center’s Handbook of Operating Procedures requires its departments to submit a Property Deletion Request form to the Health Science Center’s property control office when disposing of obsolete, unserviceable, worn out, or surplus equipment.

For 5 (63 percent) of 8 equipment disposals tested, the Health Science Center did not dispose of equipment in accordance with its policy. Specifically, the Health Science Center did not complete a Property Deletion Request form for those five equipment items. Those items were left in a building that the Health Science Center was planning to sell. Items left in the building were inventoried and auctioned off; however, the Health Science Center could not provide evidence of the auction proceeds for two of the five items tested. Not disposing of equipment in accordance with its policy increases the risk that the Health Science Center could improperly dispose of equipment purchased with federal funds.
The following awards were affected by the equipment issues discussed above:

<table>
<thead>
<tr>
<th>Assistance Listing No.</th>
<th>Assistance Listing Title</th>
<th>Award Number</th>
<th>Award Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>93.113</td>
<td>Environmental Health</td>
<td>R01 ES022054</td>
<td>September 1, 2012, to May 31, 2016</td>
</tr>
<tr>
<td>93.242</td>
<td>Mental Health Research Grants</td>
<td>R01 MH113780</td>
<td>July 1, 2017, to April 30, 2022</td>
</tr>
<tr>
<td>93.389</td>
<td>National Center for Research Resources</td>
<td>S10 RR023674</td>
<td>April 1, 2007, to March 31, 2008</td>
</tr>
<tr>
<td>93.389</td>
<td>National Center for Research Resources</td>
<td>S10 RR025111</td>
<td>April 6, 2009, to April 5, 2010</td>
</tr>
<tr>
<td>93.393</td>
<td>Cancer Cause and Prevention Research</td>
<td>P01 CA81020</td>
<td>May 15, 2000, to May 31, 2004</td>
</tr>
<tr>
<td>93.397</td>
<td>Cancer Centers Support Grants</td>
<td>P30 CA54174</td>
<td>December 1, 2003, to July 31, 2009</td>
</tr>
<tr>
<td>93.837</td>
<td>Cardiovascular Diseases Research</td>
<td>R01 HL63032</td>
<td>August 1, 2000, to July 31, 2004</td>
</tr>
<tr>
<td>93.847</td>
<td>Diabetes, Digestive, and Kidney Diseases Extramural Research</td>
<td>R01 DK14744</td>
<td>August 1, 1997, to August 31, 2002</td>
</tr>
<tr>
<td>93.855</td>
<td>Allergy and Infectious Diseases Research</td>
<td>R01 AI043279</td>
<td>September 16, 2010, to August 31, 2015</td>
</tr>
<tr>
<td>93.859</td>
<td>Biomedical Research and Research Training</td>
<td>R01 GM25177</td>
<td>April 1, 1999, to March 31, 2003</td>
</tr>
<tr>
<td>93.866</td>
<td>Aging Research</td>
<td>R37 AG10486</td>
<td>January 1, 1999, to December 31, 2002</td>
</tr>
<tr>
<td>93.866</td>
<td>Aging Research</td>
<td>R01 AG064078</td>
<td>August 1, 2019, to April 30, 2024</td>
</tr>
</tbody>
</table>
2021 – 105  (Continued)

Recommendations:

The Health Science Center should strengthen controls to ensure that it:

- Maintains accurate property records for all equipment acquired with federal funds.
- Adequately safeguards its equipment to prevent loss or theft of equipment.
- Disposes of equipment items in accordance with its policy.

Views of Responsible Officials:

UT Health-San Antonio acknowledges and agrees with the finding.

Corrective Action Plan:

Equipment:

UT Health-San Antonio’s Property Control group will work with department inventory contacts during the current and subsequent annual inventory processes to ensure asset location identifiers are updated and serial numbers are correct. The University’s Property Control group will also communicate with departments by email and virtual annual inventory preparation meetings to reinforce the importance of updating asset location identifiers and reviewing serial numbers, and to notify Property Control when assets are missing or no longer in the department’s possession to ensure proper documentation is completed and on file.

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Implementation Date:  March 2022

Responsible Person:  Isaac Almaraz