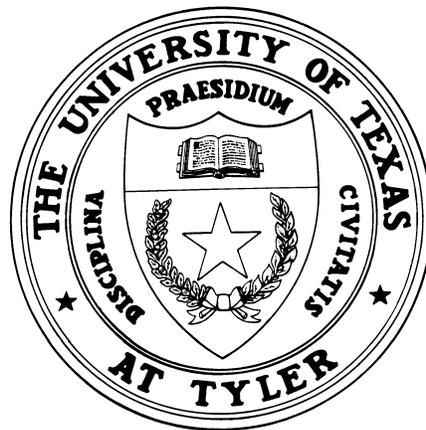


The University of Texas at Tyler

**The Department of Athletics
Change in Management Audit**



June 2014

THE UNIVERSITY OF TEXAS AT TYLER AUDIT OFFICE
3900 UNIVERSITY BLVD.
TYLER, TEXAS 75703

The University of Texas at Tyler
The Department of Athletics
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Fiscal Year 2014

Background

An audit of the Department of Athletics has been conducted at the request of the University of Texas at Tyler (UT Tyler) Institutional Audit Committee (IAC) due to a change in management. The former Assistant Athletics Director retired effective May 2013. Budget authority responsibilities have been assigned to the Vice President of Student Affairs with responsibilities delegated to various departmental personnel.

Engagement Objectives

The objectives of the audit were to review the internal controls and account transactions specific to the Department of Athletics for compliance with State of Texas, University of Texas System, and UT Tyler rules and regulations.

Scope and Methodology

The scope of this audit included a review of accounts in all unit codes under Department of Athletics from September 1, 2012 through August 31, 2013.

Departments at UT Tyler, including the Office of the Provost, Business Affairs Budget Office, Financial Services, Human Resources, Information Security, and Assessment and Institutional Effectiveness, have oversight responsibilities related to operations; therefore areas reviewed by these departments were excluded from the scope of this audit. The Financial Services Office conducted a partial Quality Assurance Review (QAR) in November 2013 which included departmental accounts for salaries, account reconciliation and monitoring, capital asset management, human resource management, information technology security, and effective operations. No significant weaknesses were noted in these areas; therefore detailed testing was limited in the scope of this audit for the areas included in the QAR.

Standards

Our audit was conducted in accordance with the guidelines set forth in The Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing*.

Procedures

To accomplish the audit objectives, a judgmental sample of 138 transactions from 87 different accounts was selected from the DEFINE accounting system based on amount, account, object code, and vendor. The transactions were tested for compliance with rules and regulations including appropriateness, validity, reasonableness, accuracy, approvals, and supporting documentation.

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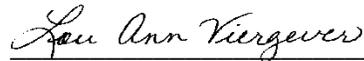
Engagement Results

According to The University of Texas System Policy 129, System-wide Internal Audit Charter, “there are two types of audit findings and recommendations: reportable and significant. A “reportable” audit finding/recommendation should be included in an audit report if it is material to the operation, financial reporting, or legal compliance of the audited activity, and the corrective action has not been fully implemented. “Significant” audit findings and recommendations are reportable audit findings and recommendations that are deemed significant at the institutional level. A significant recommendation is one that may be material to operations, financial reporting, or legal compliance. This would include an internal control weakness that does not reduce the risk of irregularities, illegal acts, errors, inefficiencies, waste, ineffectiveness, or conflicts of interest to a reasonably low level.”

Based on the audit procedures conducted, there were no reportable or significant findings. During our examination, we found the records to be well organized and expenditures appeared appropriate with adequate approvals and supporting documentation with only minor exceptions. Details of these exceptions and suggestions for improvements have been presented to management in a separate memorandum.

Conclusion

The Department of Athletics is generally in compliance with rules and regulations related to fiscal account management with State of Texas, University of Texas System, and UT Tyler rules and regulations.



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