

October 30, 2012

To: Giuseppe N. Colasurdo, M.D.
President
UTHealth

Re: Report on Audit #13-115 UTHealth Review and Validation Program

We have completed our audit of the UTHealth Review and Validation Program for fiscal year 2012. This audit was performed as required by University of Texas System Policy 142.1, Policy on the Annual Financial Report and was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

BACKGROUND

UTS142.1, *Policy on the Annual Financial Report*, Section 6, states "The institutional Internal Audit Director shall perform annual testing, within 60 days of the end of the fiscal year end, of the Monitoring Plan and the subcertifications, and validate the assertions on segregation of duties and account reconciliations."

OBJECTIVES

The objectives of this audit were to determine whether:

- UTHealth followed its monitoring plan for segregation of duties and reconciliation of accounts;
- Account owners submitted subcertifications timely; and
- Assertions of segregation of duties and account reconciliations were valid.

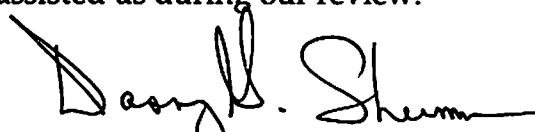
SCOPE AND METHODOLOGY

Auditing and Advisory Services executed an audit program provided by UT System Audit. The audit procedures included determining whether the monitoring plan was executed, account reconciliations were performed, segregation of duties were established, and subcertification letters were submitted on a timely basis.

AUDIT RESULTS

Overall, we determined that UTHHealth is in compliance with its monitoring plan for segregation of duties and reconciliation of accounts; account owners submitted subcertification letters timely; and we obtained reasonable assurance assertions of segregation of duties and reconciliation of accounts were valid.

We would like to thank the assistant controller and the individual department managers throughout the institution who assisted us during our review.

A handwritten signature in black ink, appearing to read "Daniel G. Sherman". The signature is fluid and cursive, with a large initial "D" and "S".

Daniel G. Sherman, CPA CIA
Assistant Vice President

DGS:

cc: Kevin Dillon
Mike Tramonte
Audit Committee