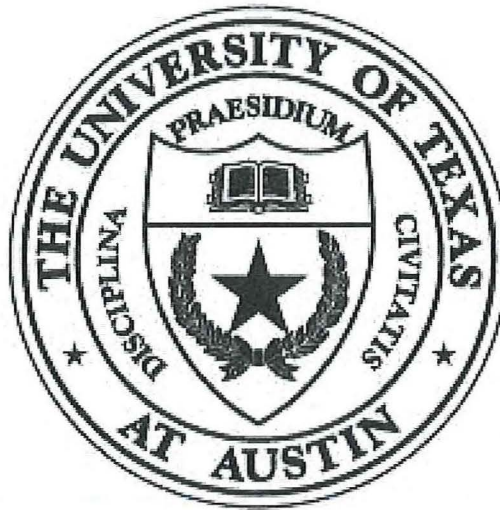


Benefits Proportionality By Fund

*Appropriation Years
2015, 2016, and 2017*



August 2018

**The University of Texas at Austin
Office of Internal Audits
UTA 2.302
(512) 471-7117**

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This report has been distributed to Institutional Audit Committee members, the Legislative Budget Board, the State Auditor's Office, the Sunset Advisory Commission, the Governor's Office of Budget and Planning, and The University of Texas System Audit Office for distribution to the Audit, Compliance, and Management Review Committee of the Board of Regents.



OFFICE OF INTERNAL AUDITS
THE UNIVERSITY OF TEXAS AT AUSTIN

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August 30, 2018

Mr. Darrell Bazzell, Senior Vice President and Chief Financial Officer
Office of the Vice President and Chief Financial Officer
The University of Texas at Austin
110 Inner Campus Drive, Stop G4900
Austin, Texas 78712-1705

Dear Mr. Bazzell,

We have completed our audit of Benefits Proportionality by Fund for appropriation years (AY) 2015, 2016, and 2017, for The University of Texas at Austin (UT Austin) as required by Rider 8, page III-44, of the General Appropriations Act (85th Legislature, Conference Committee Report). The rider requires that this audit examine AY2015 through AY2017.

Based on audit procedures performed, *Benefits Proportionality by Fund Report* (APS 011) for AY2015 through AY2017, as submitted to the State Comptroller, was materially accurate and no reimbursement is due. The process in place to prepare the annual report is sufficient to ensure benefits funding proportionality is applied according to the guidelines established in the General Appropriations Act. No errors were identified during the audit.

Our audit procedures were consistent with the methodology prescribed by the State Auditor's Office to comply with Rider 8, and included the:

- Review of source information obtained from the internal accounting system and the State's Uniform Statewide Accounting System (USAS),
- Review of the benefits proportionality reporting process,
- Validation of the accuracy of information and proportional funding calculations reported to the State Comptroller on the APS 011 reports, and
- Testing to verify eligibility of employee benefits paid with appropriated funds.

Sample size for testing was determined following guidance on internal control testing for compliance from the American Institute for Certified Public Accountants (AICPA). In addition, our office relied on work conducted in previous audits by our office, our external audit firm, and the Texas State Auditor's Office to gain assurance about the reliability of data in the internal accounting system and USAS. This 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*.

We appreciate the cooperation and assistance of those associated with this project in the Office of Accounting.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Vandervort", written over a horizontal line.

Michael W. Vandervort, CPA
Chief Audit Executive

cc: Dr. Gregory L. Fenves, President, The University of Texas at Austin
Mr. Carlos Martinez, Chief of Staff, Office of the President
Mr. Leo Barnes, Chief Compliance Officer
Mr. Jeff D. Treichel, CPA, Associate Director, Office of Internal Audits