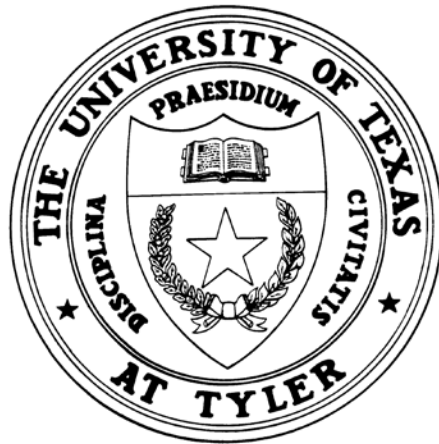


The University of Texas at Tyler

**Internal Controls Monitoring Plan Audit
(UTS 142.1 Assurance)
Fiscal Year 2019**



November 2019

THE UNIVERSITY OF TEXAS AT TYLER
OFFICE OF AUDIT AND CONSULTING SERVICES
3900 UNIVERSITY BOULEVARD
TYLER, TEXAS 75799

The University of Texas at Tyler

Internal Controls Monitoring Plan Audit

BACKGROUND

The University of Texas at Tyler (UT Tyler) is an institution that is part of the University of Texas System (UT System) and is required to follow UT System (UTS) policies. UTS Policy 142.1, *Policy on the Annual Financial Report*, “provides for financial reporting requirements and duties related to those responsible for financial reporting, the approval of accounting records, and responsibilities for establishing internal controls to ensure that funds are expended and recorded appropriately.” The policy also states:

- “The Financial Reporting Officer shall develop or update a monitoring plan for the segregation of duties and reconciliation of accounts. The monitoring plan should be risk-based and establish the minimum requirements for the institution.” (Section 5)
- “The institutional Chief Audit Executive shall perform an annual risk assessment of the Monitoring Plan.” (Section 7)

This Internal Controls Monitoring Plan audit was conducted based on the annual risk assessment and fulfills the UTS 142.1 requirement. This audit was included in the Fiscal Year (FY) 2020 Annual Audit Plan and approved by the Institutional Audit Committee.

AUDIT OBJECTIVE

The objective of the audit was to determine if the Internal Controls Monitoring Plan, which includes oversight of account reconciliations and segregation of duties, was implemented.

STANDARDS

The audit was conducted in accordance with guidelines set forth in *The Institute of Internal Auditors’ Standards for the Professional Practice of Internal Auditing* and *Generally Accepted Government Auditing Standards*.

SCOPE AND METHODOLOGY

The scope of this audit included reviewing the Internal Controls Monitoring Plan and obtaining evidence of oversight controls during FY 2019. Procedures included, but were not limited to:

- ✓ Testing a sample of supporting documentation to verify account reconciliation monitoring;
- ✓ Verifying bank account reconciliations were complete and approved;
- ✓ Reviewing all journal entries to verify appropriate approvals using data analytics;
- ✓ Testing a sample of documentation of cash handling training and new budget authority training; and
- ✓ Obtaining the Accounting and Financial Reporting Office’s plans for addressing sub-certification responses.

The University of Texas at Tyler
Internal Controls Monitoring Plan Audit

AUDIT RESULTS

Overall, our assessment determined that the Internal Controls Monitoring Plan was implemented.

Strengths:

Our procedures identified the following strengths:

- The Financial Reporting office began monitoring departmental account reconciliations in November 2018, and reviewed 739 of 1,252 (59%) of the cost centers and projects. Appropriate documentation was on file for 100% of the sample reviewed during the audit.
- Bank accounts and journal entries were approved as required.
- Sub-certifications were obtained from executives and reviewed for possible issues.

Findings and Opportunities for Improvements:

No reportable findings were identified. Opportunities to strengthen internal processes were separately communicated to management. None were of such significance to indicate the need for enhanced control procedures.

CONCLUSION

The Internal Controls Monitoring Plan was implemented with segregation of duties and account reconciliations appropriately monitored. Additional opportunities for risk mitigation and improvement have been communicated to management.

We appreciate the assistance of the Vice President of Budget and Finance and departmental management during this project.