

UTS 142.1 Monitoring Plan

Audit Report # 22-107

February 16, 2022



The University of Texas at El Paso
Office of Auditing and Consulting

"Committed to Service, Independence and Quality"



The University of Texas at El Paso
Office of Auditing and Consulting Services

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February 16, 2022

Dr. Heather Wilson
President, The University of Texas at El Paso
Administration Building, Suite 500
El Paso, Texas 79968

Dear Dr. Wilson:

The Office of Auditing and Consulting Services has completed a limited-scope audit of UTS 142.1 Monitoring Plan. During the audit, we identified opportunities for improvement and offered the corresponding recommendations in the audit report. The recommendations are intended to assist the department in strengthening controls and help ensure that the University's mission, goals and objectives are achieved.

We appreciate the cooperation and assistance provided by the VPBA and ORSP staff during our audit.

Sincerely,

A handwritten signature in blue ink that reads 'Lori Wertz'. The signature is fluid and cursive, with the first letters of 'Lori' and 'Wertz' being capitalized and prominent.

Lori Wertz
Chief Audit Executive

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EXECUTIVE SUMMARY

Background

In accordance with The University of Texas System Administration Policy 142.1 (UTS 142.1, Appendix A), *Policy on the Annual Financial Report*, Section 4.3, each institution is required to develop and maintain a Monitoring Plan for the segregation of duties and reconciliation of cost centers and project accounts. The overarching goal of the account reconciliation and certification process is to detect any potential errors or misappropriation of funds in a timely manner.

Audit Objectives

Review the current Monitoring Plan and perform testing to:

- verify that cost centers and projects are reconciled and approved timely with appropriate support documentation per UTEP policy (Appendix B), and
- determine whether the sub-certification process is being followed as required by UTS 142.1 and the UTEP Handbook of Operating Procedures.

Scope

The scope of the audit includes all PeopleSoft/SAHARA and Project Information Center (PIC) transactions, reconciliations, approvals and certifications for cost center and project accounts in Fiscal Year (FY) 2021.

The audit was conducted in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and *Generally Accepted Government Auditing Standards*.

Strengths

Monitoring Procedures: The Vice President for Business Affairs (VPBA) and the Office of Research and Sponsored Projects (ORSP) implemented monitoring procedures in FY 2021. The procedures and the results of their monitoring activities are well documented and executed. The monitoring activities help identify departments that need additional training, in addition to departments that do not perform account reconciliations.

SAHARA Online Account Reconciliation Application: The VPBA has made great efforts to streamline the SAHARA reconciliation process for reconcilers and approvers. Employees can now drill down to access many source documents and have the ability to attach support such as invoices and purchase orders that are not available using the drill down feature. Extensive training is readily accessible online to learn about the new features.

Summary of Audit Results

Issue	Risk Ranking
1. Expenditures in excess of \$15 million were not certified by account owners	High
2. Some account owners who certified did not reconcile and/or approve their accounts	Medium
3. Many certified accounts do not contain adequate support documentation	Medium
4. Employee training needs improvement to ensure proper understanding of the reconciliation process.	Medium

Conclusion

The VPBA and ORSP implemented well documented monitoring plans as required by UTS 142.1. They review a sample of reconciliations and provide feedback to the departments. The UTEP Monitoring Plan (Appendix C) needs to be updated to reflect these changes.

Based on the results of audit procedures performed, we conclude that some cost centers and projects are not reconciled and approved timely with appropriate support documentation. Further work needs to be done to ensure all account owners are held accountable for the reconciliation and certification processes.

BACKGROUND

In accordance with The University of Texas System Administration Policy 142.1 (UTS 142.1), *Policy on the Annual Financial Report*, Section 4.3, each institution is required to develop and maintain a Monitoring Plan for the segregation of duties and reconciliation of cost centers and project accounts. The overarching goal of the account reconciliation and certification process is to detect any potential errors or misappropriation of funds in a timely manner.

Per The University of Texas at El Paso's Account Review Policy in the Handbook of Operating Procedures (HOP), the oversight of the reconciliation process is the responsibility of the Vice President for Business Affairs (VPBA).

The scope of the audit includes all PeopleSoft/SAHARA and Project Information Center (PIC) transactions, reconciliations, approvals and certifications for cost center and project accounts in Fiscal Year (FY) 2021.

Project accounts are not currently reconciled through SAHARA. The account reconciliation and approval process is facilitated through the PIC tool, and project account owners record their final certifications in SAHARA.

The audit was conducted in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and *Generally Accepted Government Auditing Standards*.

AUDIT RESULTS

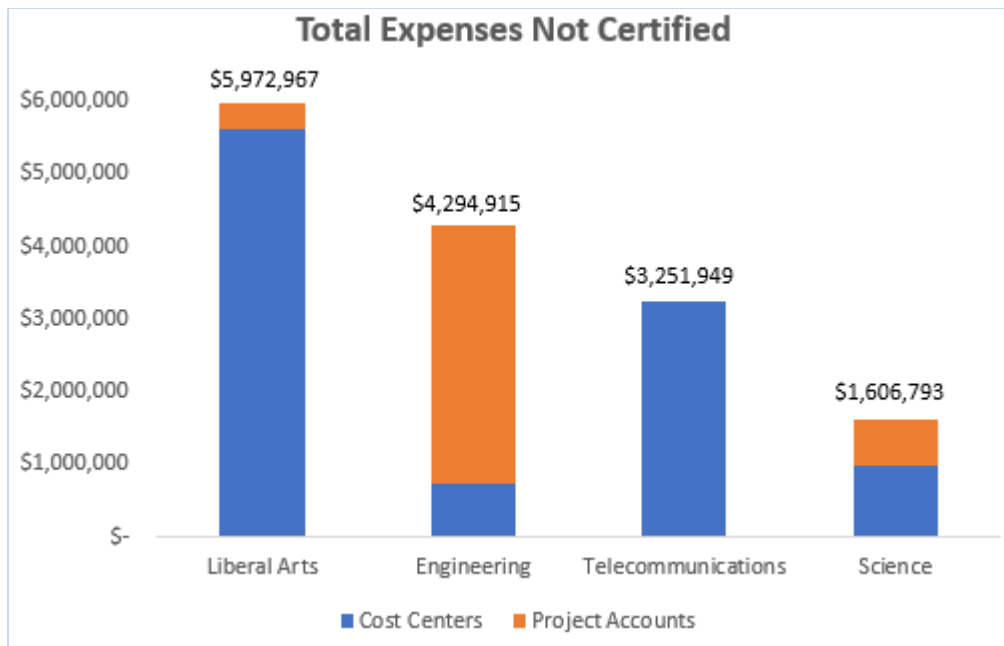
A. SAHARA Account Certifications

Expenditures in excess of \$15 million were not certified by account owners.	High Risk
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Annual certification is required by The UT System Policy UTS 142.1 Monitoring Plan and The University of Texas at El Paso Handbook of Operating Procedures. However, there are no consistent consequences when a cost center/project account owner does not follow the policy and procedures.

The VPBA identified 392 individuals with signature authority (account owners) over University cost centers/project accounts in FY 2021, and contacted them to certify in SAHARA that accounts under their control were fully reconciled, and there is proper segregation of duties within their departments.

We identified eleven account owners, responsible for 62 cost centers and 33 projects in FY 2021, who did not certify in SAHARA. The uncertified expenditures, including salary transactions, exceeded \$15 million in the following business units (Appendix D):



Additionally, there appears to be confusion regarding the overall certification process. Fifty-two account owners of 381 tested (14%), who certified their accounts also included exception comments. The comments indicated that although they certified in SAHARA, the reconciliations were not actually completed or reviewed for various reasons.

Recommendation:

The VPBA should develop an escalation process for account owners who do not certify their cost center/project accounts are reconciled in SAHARA, which includes consequences and accountability, and implement a documented process for timely review of account owners' exceptions on certifications in SAHARA.

Management Response:

The VPBA Office agrees with recommendation. The current certification process currently includes several email notifications/reminders of past due certifications to account owners and CAOs where appropriate and ultimately including the Dean and respective Vice-President. Certifications for fiscal year 2021 included the following notifications:

- Oct 25th – initial notification of certification due on Nov 5th*
- Nov 2nd – first reminder email to account owners and CAOs*
- Nov 5th – second reminder to account owners and CAOs*
- Nov 10th – first Past Due notification to account owners and CAOs*
- Nov 15th – second Past Due notification to account owners and CAOs*
- Nov 23rd – final Past Due notice to account owners, Deans and/or Vice-President*

Our initial escalation involves working with the CAOs at each college. We will transition to an earlier escalation process that will involve Deans earlier in the process. We will also coordinate with ORSP to determine appropriate accountability measures to incorporate into the process.

For Sponsored Project accounts, ORSP agrees with the findings, estimated \$4.5 million of which estimated \$3.5 million is in College of Engineering, and where all uncertified expenditures belong to five (5) different PI's. ORSP further agrees that if the institution develops appropriate reconciling tools/mechanism and knowledge to the reconcilers at large, that the verification and certification can be done in one system – SAHARA, since both SAHARA and PIC draw all data from PeopleSoft. Plans to develop and update the process are in progress.

Responsible Party:

*Carlos Martinez, Assistant Vice President/Comptroller
Manuela Dokie, Assistant Vice President for Research and Compliance*

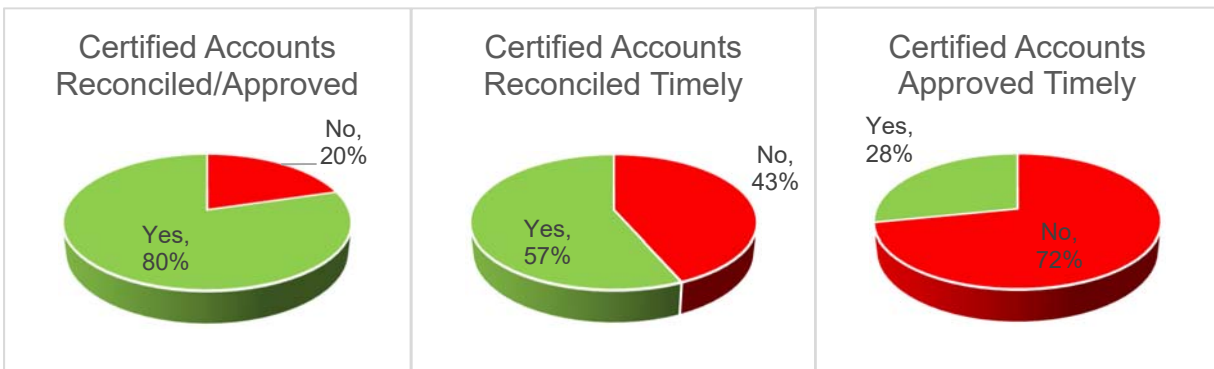
Implementation Date:

November 30, 2022

B. Account Reconciliations in SAHARA

Some account owners who certified did not reconcile and/or approve their accounts per HOP.	Medium Risk
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There is a general absence of urgency for timely preparation and approval of account reconciliations. This fiduciary responsibility ultimately rests with the account owner of each cost center/project account.



When account owners do not reconcile and/or approve their accounts in a timely manner, there is an increased risk of error or fraud that could lead to financial loss for the University.

Detailed sample testing resulted in following for FY 2021:

- 20% of certified accounts are not reconciled and/or approved by account owner.
- 43% of certified and reconciled accounts are not reconciled timely, averaging 120 days past the due date.
- 72% of certified, reconciled, and approved accounts are not approved timely, averaging 151 days past the due date.

Recommendation:

The VPBA should develop an escalation process for account owners who do not reconcile and approve their accounts timely to ensure accountability. This process may include monthly automated email reminders to account owners and reconcilers who have not approved their reconciliations. Additionally, quarterly reports to supervisors indicating outstanding account reconciliations not approved for the quarter may be sent for further examination.

Management Response:

The VPBA Office agrees with the recommendation. We are currently working to implement a manual review of cost center reconciliations and approvals. Reminder emails will be generated monthly to alert both reconcilers and approvers of all pending reconciliations and associated periods.

ORSP agrees with the findings and will work with VPBA team to develop and implement appropriate notification system, escalation schedules, update policy with the schedule, and develop list of consequences that can be enforced.

Responsible Party:

*Daniel Dominguez, Director
Manuela Dokie, Assistant Vice President for Research and Compliance*

Implementation Date:

June 30, 2022

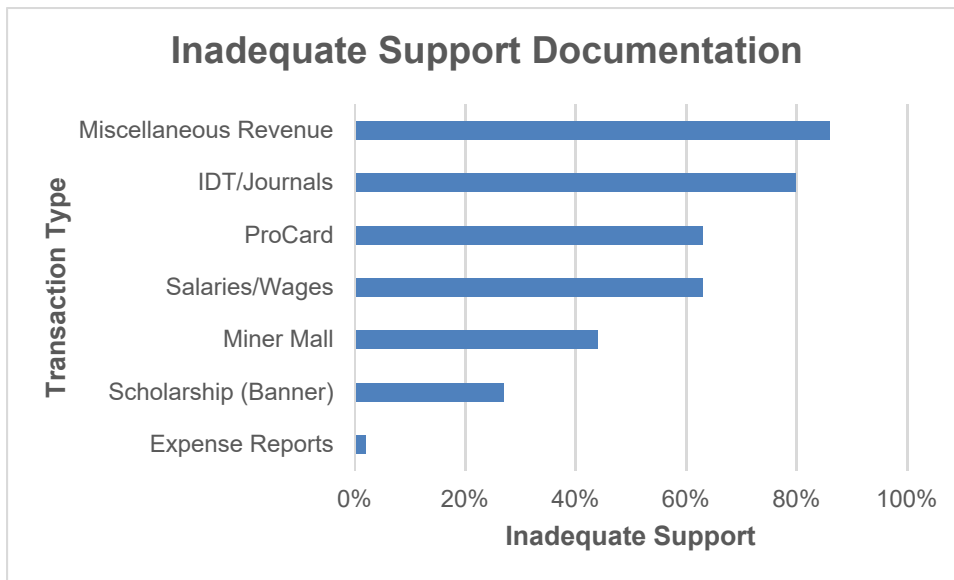
C. Inadequate Support Documentation

Many certified accounts do not include adequate support documentation.	Medium Risk
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There is no consistent guidance as to what support documentation is required for a compliant account reconciliation. Consequently, the quality and type of support documentation included varies widely across all accounts. As a result, many account reconciliations are not being performed properly, and there is a greater risk that any error or misappropriation of assets may not be detected. Additionally, only 38% of cost centers tested properly utilized the SAHARA Enhancement tools to retain supporting documentation.

63% of 46 certified and reconciled accounts tested in our sample do not have adequate support documentation in compliance with UTEP HOP Section VII: Financial Services, Chapter 5 Cost Center/Project Review Policy.

The following types of transactions lack adequate support documentation:



Recommendation:

OACS recommends that the University establish clear guidance regarding the adequacy of support documentation for account reconciliations and communicate it to ensure consistency across all departments. This guidance should list acceptable documents for each transaction type and be accessible to all account reconcilers. Additionally, support documentation should be maintained in SAHARA to promote uniformity for all cost center reconciliations.

Management Response:

VPBA Office agrees with the recommendation and will coordinate with the PeopleSoft training team to update materials to include acceptable documents by transaction type and include clear direction on maintaining these documents in SAHARA. A targeted communication to reconcilers and cost center owners will be sent to once the updates have been made to the training.

ORSP agrees with the finding and is pending list and guidance as to type of “acceptable documents” to be included in new training for reconcilers (regardless of source of funds). ORSP further agrees that the one source for verification and certification is SAHARA and will participate in the planning and training requirement to transition to SAHARA.

Responsible Party:

*Carlos Martinez, Assistant Vice President/Comptroller
Manuela Dokie, Assistant Vice President for Research and Compliance*

Implementation Date:

June 30, 2022

D. Employee Training

Employee training needs improvement to ensure proper understanding of the reconciliation process.	Medium Risk
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The PeopleSoft team schedules multiple reconciliation trainings and has resources readily available on their website in accordance with UTEP HOP Policy. SAHARA account reconciliation trainings are only required for account reconcilers, not approvers. Attendance to at least one SAHARA training is mandatory for reconcilers to receive access to create or approve in the account reconciliation software. The SAHARA Enhancement trainings, which explain the drill-down and attachment functions for source documents are not mandatory.

Additionally, while every new staff and faculty member associated with a project account is encouraged to complete PIC reconciliation training, it is not mandatory.

There is a general misunderstanding of the relationship between the SAHARA certification process and the timely completion and approval of the required monthly reconciliations. Since the SAHARA/PIC trainings are not mandatory for approvers, account owners may be approving and certifying account reconciliations without proper guidance. In addition, since the SAHARA Enhancement training is not mandatory for reconcilers, they may not have a full understanding of how to attach support documentation to the SAHARA software. Employee training needs improvement to ensure proper understanding of the reconciliation process; otherwise, the result could be the failure to detect error or the misappropriation of assets in cost centers or project accounts.

Recommendation:

OACS recommends that the University provide a high-level training that explains both the how and why of account reconciliations to both reconcilers and approvers. This training may be in the form of a pre-recorded video that may be distributed and accessible to all reconcilers and approvers to ensure proper understanding of the account reconciliation process.

Management Response:

The VPBA office agrees with the recommendation and will work with the PeopleSoft training team to expand the modes of training available and send a targeted communication to all reconcilers and approvers. We will have the training completed in a video format, which will allow us to track “hits” on the video.

ORSP totally agrees with the finding that there is insufficient information, high expectations, and lack of training resources for reconcilers. We firmly believe that a high level, mandatory training, including standardized tools for reconcilers should be our highest priority. This training will help those that don’t know, confirm those that do know, and the standardization will result in a higher level of accountability. Once an account is reconciled, the verification and certification training to admins and account owners can be much more simplified.

Responsible Party:

*Carlos Martinez, Assistant Vice President/Comptroller
Manuela Dokie, Assistant Vice President for Research and Compliance*

Implementation Date:

June 30, 2022

RANKING CRITERIA

Priority	An issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole.
High	A finding identified by internal audit considered to have a medium to high probability of adverse effects to the UT institution either as a whole or to a significant college/school/unit level.
Medium	A finding identified by internal audit considered to have a low to medium probability of adverse effects to the UT institution either as a whole or to a college/school/unit level.
Low	A finding identified by internal audit considered to have minimal probability of adverse effects to the UT institution either as a whole or to a college/school/unit level.

Report Distribution:

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Mr. Daniel Garcia
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Auditors Assigned to the Audit:

Joanna Tapia, Senior Auditor I
Jannell Ballin, Graduate Intern

APPENDIX A

UTS 142.1 Policy on the Annual Financial Report

Sec. 1 Purpose

This policy 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, and procedures for obtaining services by an external audit firm.

Sec. 2 Principles

The University of Texas System institutions are responsible for the accuracy and integrity of their financial statements. Management at each institution provides an annual certification of compliance with financial reporting requirements and the fair presentation of the financial statements. The certification includes the acknowledgement of responsibility for establishing and monitoring internal controls.

Sec. 3 Requirement and Responsibility

The combined financial statements of The University of Texas System are prepared in accordance with Governmental Accounting Standards Board requirements and in accordance with the Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements. The Financial Reporting Officer has direct responsibility for the establishment of efficient and effective internal controls over the preparation of the annual financial report.

Sec. 4 Designation of Financial Reporting Officer

The Chief Administrative Officer of each institution and U. T. System Administration shall designate a single financial reporting responsible party, known as the Financial Reporting Officer.

4.1 Each institution's Financial Reporting Officer is directly responsible to the respective Chief Administrative Officer for the integrity of the institution's annual financial report.

4.2 The U. T. System Administration Financial Reporting Officer is directly responsible to the Chancellor for the integrity of the U. T. System Administration Annual Financial Report and the consolidated U. T. System Annual Financial Report.

Sec. 5 Duties of Financial Reporting Officer

The Financial Reporting Officer has direct responsibility for the establishment of efficient and effective internal controls over the preparation of the annual financial report.

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.

Sec. 6 Certification

The Chief Administrative Officer and Financial Reporting Officer will attest to the accuracy of the institution's financial statements in an annual certification letter to the Financial Reporting Officer of U. T. System Administration. They will also certify compliance with the U. T. System Financial Code of Ethics and to knowledge of any violations of the Financial Code of Ethics.

6.1 Certification. The certifying officials will provide a certification according to the format specified in the attached letter in Appendix 1.

6.2 Financial Code of Ethics. The Financial Reporting Officer will certify compliance with the Financial Code of Ethics (UTS134) by those involved in the preparation of the annual financial report and whether, to the Financial Reporting Officer's knowledge, any of those employees violated the Financial Code of Ethics. See Appendix 2 for the Financial Code of Ethics certification form.

Sec. 7 Internal Audit Risk Assessment and Certification of the Monitoring Plan

The institutional Chief Audit Executive shall perform an annual risk assessment of the Monitoring Plan. The institutional Chief Audit Executive will certify within 60 days of the fiscal year end, to the Financial Reporting Officer of U. T. System Administration, whether an audit was performed based on the risk assessment and discussion with the institutional audit committee. See Appendix 3 for the Internal Audit Certification form.

Sec. 8 External Audit of the Financial Statements

An external audit firm may be engaged to express an opinion on the U. T. System financial statements or the financial statements of any of its institutions.

8.1 Contracts. The Audit, Compliance, and Risk Management Committee of the Board of Regents is responsible for contracting with any external audit firm for the expression of an opinion on the U. T. System financial statements or individual financial statements of any institution. If the contract exceeds \$1 million, it must be approved by the Board of Regents.

8.2 External Audit Results. The results of any external audits that express an opinion on the financial statements of the U. T. System or any of its institutions should be presented to the Audit, Compliance, and Risk Management Committee of the Board of Regents.

8.3 Conflicts of Interest. An external audit firm engaged to express an opinion on the U. T. System financial statements or those of any institution must be free of any conflict of interest as prescribed by Regent Rule 20402, 2. Sec. 1.3.

Sec. 9 Approval Required by the State Auditor's Office

9.1 Texas Government Code Section 321.020(a) provides that a state agency may employ a private auditor to audit the state agency only if:

- a) the agency is authorized to contract with a private auditor through a delegation of authority from the state auditor;
- b) the scope of the proposed audit has been submitted to the state auditor for review and comment; and
- c) the services of the private auditor are procured through a competitive selection process in a manner allowed by law.

9.2 General Appropriations Act prohibits funds appropriated in the Act to be used to enter into a contract with an independent audit entity or audit services, except as follows:

- (1) an interagency contract with the State Auditor's Office (SAO) for the SAO to provide audit services to the agency or institution. At the discretion of the State Auditor and the Legislative Audit Committee, the SAO may conduct the audit or the SAO may enter into a contract with an independent audit entity to conduct the audit; or
- (2) a contract with an independent audit entity for the provision of audit services pursuant to §321.020, Government Code.

Definitions

Financial Reporting Officer - person directly responsible to the respective Chief Administrative Officer for the integrity of the institution's annual financial report.

Additional Definitions in Regent Rule 20402

APPENDIX B

UTEP Handbook of Operating Procedures (HOP), Section 7

Chapter 5: Cost Center/Project Review Policy

In accordance with UTS 142.1 (<http://www.utsystem.edu/board-of-regents/policy-library/policies/uts1421-policy-annual-financial-report>), which calls for the establishment of efficient and effective internal controls over the preparation of the financial report, all cost center/project administrators are required to ensure the respective cost centers and/or projects for which they have signature authority are reconciled and approved on a monthly basis.

Cost center/project review and approval demonstrates accountability for financial resources and assures University administration and external parties that fiscal resources are monitored and maintained in accordance with University Policies and Procedures. This process is essential for an effective internal control environment to ensure:

- The accuracy and validity of the entries and balances.
- Transactions are accurately recorded.
- Unauthorized charges/changes did not occur.
- Resolution of discrepancies occurs in a timely manner.

5.1 Responsible Parties

- Cost Center Owners/Principal Investigators (PI)
- Cost Center/Project Administrators
- Business Centers and Center Managerial Staff
- Chief Financial Officer
- General Accounting
- Contracts and Grants Accounting

5.2 General Guidelines for Cost Centers and Capital Projects

The cost center/capital project administrator of record should assign the monthly reconciliation process to someone in the department who is familiar with the financial activity to ensure that an effective review occurs. In addition, cost center/project administrators should either perform the monthly review and approval of the

reconciliation or delegate that process to another full-time managerial staff position who is familiar with the financial activity and is not the reconciler. Cost center/project administrators may not delegate the fiduciary responsibility for University assets to another individual. Following these guidelines ensures proper segregation of duties.

The reconciliation, review and approval process should occur monthly and within 30 days after the month-end close. Departments are notified by email of each month-end close. Cost center and project review and approval will occur in the SAHARA application available in PeopleSoft.

5.2.1 General Guidelines for Sponsored Projects

The sponsored project administrator of record who is familiar with the financial activity is responsible for the preparation of the monthly reconciliations. The project PI is responsible for the certification of the accuracy of expenditures and confirmation that the reconciliation is done accurately and timely. The PI may not delegate the fiduciary responsibility for University grant-related assets to another individual. Following these guidelines ensures proper segregation of duties.

The reconciliation, review and approval process should occur monthly and within 30 days after the month-end close. Departments are notified by email of each month-end close. Sponsored project review and approval will occur in the Project Information Center (PIC) application.

5.3 Cost Center/Project Reconciliation

A formal reconciliation of the accounting records from the University's official accounting system is required monthly. The reconciliation function consists of:

- Comparing departmental supporting documentation to the actual charges recorded in the cost center/project listed in the PeopleSoft SAHARA application (cost centers/capital projects) or the PIC application (sponsored projects).
- Ensuring all transactions have supporting documentation and are accurate, authorized and appropriate to the mission of the department and University.
- Ensuring all transactions meet applicable Federal, State, Sponsor, U.T. System, or University policies, regulations, guidelines and laws; and transactions from gift funds are allowable or consistent with the donor agreement.
- Identifying discrepancies and ensuring they are resolved within 60 days after their identification. The administrator or designee should follow up to ensure all the corrections have been made and recorded. Completing the system

reconciliation by clicking the appropriate check box in the SAHARA application for cost centers and capital projects.

- Sponsored projects administrators are responsible for notifying the PI that reconciliation and verification is complete and ready for certification.

5.4 Cost Center/Project Review and Approval Process

The cost center/project review and approval process is broader and less detailed than those steps required for the reconciliation. Specifically the approver should consider the following:

- Do the transactions appear appropriate for department/grant/University business?
- Are there any suspicious looking transactions?
- If the review process has been delegated, is there an indication of a review? Is there an explanation for any unrecognized transactions?

When the approver is assured all transactions are logged, accurate, appropriate, and authorized, he/she will check the “approved” check box in SAHARA and certification boxes in PIC indicating approval of the reconciliation and notes regarding any reconciling items for the month’s activity.

5.5 Retaining Documentation

Supporting documentation for recorded transactions used for the review process must be retained. Documents may be retained in any manner deemed most efficient by each department so long as the documentation may be easily accessed and produced upon request (to include but not limited to electronic file copies). The reconciliations and supporting documentation should be retained in accordance with the most current state record retention schedule (https://www.utep.edu/purchasing-and-general-services/_Files/docs/records-management-retention-schedule/RetentionSchedule.pdf).

5.6 Annual Certification

On an annual basis, all cost center and capital project administrators and sponsored project PIs must certify that reconciliations have been completed in accordance with this policy. The certification will be completed within the PeopleSoft application.

5.7 Definitions

Internal Controls - A process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- effectiveness and efficiency of operations,
- reliability of financial reporting, and
- compliance with applicable laws and regulations.

Reconciliation - The process of comparing information from two separate sources and, providing explanations for any differences. For departmental purposes, the process consists of comparing the supporting documentation retained by the department to the information recorded in the PeopleSoft SAHARA application.

Review - The process of examining the reconciliation for accuracy and reasonableness.

Segregation of Duties - The concept of having more than one person required to complete a task. The separation by sharing one single task by more than one individual is an internal control intended to prevent fraud and error.

Verification - The process of examining information contained in an account, report or system to ensure it is accurate and complete.

5.8 Applications Used for Reconciliations

The University will utilize the SAHARA application within PeopleSoft as the official reconciliation tool for cost centers and capital projects. The official reconciliation tool for sponsored projects is the PIC application.

Additional information concerning the SAHARA application and help with account reconciliation may be found on the PeopleSoft website (<https://www.utep.edu/vpba/peoplesoft/>). For training or assistance using the PIC tool, email cgsc@utep.edu (<mailto:cgsc@utep.edu>).

APPENDIX C

The University of Texas at El Paso Monitoring Plan: Segregation of Duties/Reconciliation of Cost Centers/Projects

In accordance with UT System Administration Policy 142.1 (UTS142.1), *Policy on the Annual Financial Report*, section 4.3, each institution is required to develop and maintain a Monitoring Plan for the segregation of duties and reconciliation of cost centers and projects.

The University of Texas at El Paso has an Account Review Policy in the Handbook of Operating Procedures that details the requirements of signatories for reconciling and certifying their corresponding statements of cost center and project activities. Oversight of the reconciliation process is the responsibility of the Vice President of Business Affairs (VPBA) and is validated by the U.T. System Office of Internal Audit.

Monitoring of the segregation of duties and reconciliations will be accomplished through a combination of training, certification, and departmental review by the VPBA.

1. Training – The PeopleSoft Office schedules reconciliation training and workshops throughout the year. Budget review and account reconciliation classes provide users the skills to review and reconcile their accounts. Workshops are available to assist campus users in the reconciliation process and focus on best practices for reconciliation of accounts and segregation of duties. This office is also available for specific training as requested by departments, or as recommended by the VPBA or U.T. System Office of Internal Audit.
2. Certification – University personnel who have signature authority are required to annually certify that there is proper segregation of duties within their departments and required reconciling activity is being performed according to university policy. This is accomplished through the utilization of an electronic certification module sent annually from the Office of the Vice President for Business Affairs. Responsible parties will be notified at the end of the fiscal year of the requirement to log in to the module and complete certification procedures. The certification will list all cost centers or projects the signer is responsible for and will allow for the holder to decline to certify any cost centers or projects not under his or her authority. Results of the certification process will be available to the VPBA and U.T. System Office of Internal Audit in order to track the

percentage of cost centers and projects that have been certified. This certification is overseen by the VPBA.

3. Departmental Review –The Office of the VPBA will review for segregation of duties and reconciliation of all departmental expense activity.

APPENDIX D

Summary of Uncertified Expenses

Business Unit	Cost Centers	Project Accounts	Total Expenses Not Certified
Liberal Arts	\$5,624,500.29	\$348,466.44	\$5,972,966.73
Engineering	\$743,393.58	\$3,551,521.22	\$4,294,914.80
Telecommunications	\$3,251,949.46	\$ -	\$3,251,949.46
Science	\$973,121.24	\$633,671.88	\$1,606,793.12
TOTAL	\$10,592,964.57	\$4,533,659.54	\$15,126,624.11