

Higher Education Emergency Relief Fund

HEERF Compliance

August 2022



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



OFFICE OF INTERNAL AUDITS
THE UNIVERSITY OF TEXAS AT AUSTIN

1616 Guadalupe St. Suite 2.302 · Austin, Texas 78701 · (512) 471-7117
audit.utexas.edu • internal.audits@austin.utexas.edu

August 26, 2022

President Jay C. Hartzell
The University of Texas at Austin
Office of the President
P.O. Box T
Austin, Texas 78713

Dear President Hartzell,

We have completed our compliance audit of the institutional portion of the Higher Education Emergency Relief Fund (HEERF). The objective of the audit was to determine compliance with federal guidance. The report is attached for your review.

Overall, The University of Texas at Austin's methodology to calculate lost revenue and its use of the institutional portion of HEERF funds complied with federal guidance. Please let me know if you have questions or comments regarding this audit.

Sincerely,

A handwritten signature in blue ink that reads "Sandy Jansen".

Sandy Jansen, CIA, CCSA, CRMA
Chief Audit Executive

cc: Mr. Darrell Bazzell, Senior Vice President and Chief Financial Officer
Ms. Corina Elizondo, Interim Director of the Budget Office
Ms. Monica Horvat, Director of Administration for the President
Ms. Melissa Loe, Chief of Staff, Financial and Administrative Services
Mr. Jeffrey Pool, Senior Budget Analyst, Budget Office



Higher Education Emergency Relief Fund
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Project Number: 22.010

Audit Objective

The objective of this audit was to determine compliance with federal guidance for the institutional portion of the Higher Education Emergency Relief Fund (HEERF).

Conclusion

Overall, The University of Texas at Austin’s (UT Austin) methodology to calculate lost revenue and its use of the institutional portion of HEERF funds complied with federal guidance. During the audit, we offered recommendations to the Budget Office to strengthen the documentation of UT Austin’s lost revenue methodology and to capture and maintain support, including underlying data and financial records.

Scope, Objectives, and Methodology

This audit was conducted in conformance with The Institute of Internal Auditors’ *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted the audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions on our audit objectives.

The scope of this review included the institutional portions of HEERF I, II, and III for Fiscal Years 2020, 2021, and 2022. These funds were received from the United States Department of Education as authorized by the following acts:

- CARES: Coronavirus Aid, Relief, and Economic Security Act (HEERF I)
- CRRSAA: Coronavirus Response and Relief Supplemental Appropriations Act (HEERF II)
- ARP: American Rescue Plan (HEERF III)

Specific audit objectives were to:

- Determine whether the methodology for the lost revenue recognition complied with federal guidance.
- Confirm data integrity and determine whether the lost revenue calculations were accurate.
- Confirm the amount of the draws had support and matched the calculated amounts.
- Confirm whether direct expenditures and transfers had adequate support to demonstrate compliance with HEERF guidance.



OFFICE OF INTERNAL AUDITS REPORT: HEERF

The following procedures were conducted:

- Reviewed UT Austin’s methodology and reperformed the lost revenue calculations.
- Reviewed *DEFINE transactions to confirm the amounts were allocated as outlined.
- Reviewed the documentation maintained for direct expenditures and transfers.

Engagement Team

Ms. Sandy Jansen, CIA, CCSA, CRMA, Chief Audit Executive

Mr. Jason Boone, CFE, Auditor III

Ms. Andrea Rios, Auditor

Report Distribution

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