

To: Ginny Gomez-Leon, MBA, CPA
Vice President and Chief Financial Officer

From: Mr. John Lazarine, CIA, CISA, CRISC
Chief Audit Executive Internal Audit & Consulting Services

Date: November 21, 2022

Subject: Sub-Certification Process and Monitoring of Key Controls (23-04)

Internal Audit and Consulting Services (Audit) has reviewed the Sub-Certification Process and Monitoring of Key Controls at The University of Texas Health San Antonio (UT Health) for the fiscal year (FY) ended August 31, 2022. This audit was performed to ensure compliance to the University of Texas System Policy on the Annual Financial Report (UTS 142.1).

This audit was conducted in conformance with the Institute of Internal Auditor's *International Standards for the Professional Practice of Internal Auditing and Government Auditing Standards*.

Objective and Scope

The primary objectives of the audit were to ascertain compliance with the Institutional Account Reconciliation and Segregations of Duties Monitoring Plan (Monitoring Plan) and determine whether sub-certifications were completed by departmental account Executive Committee members on a timely basis.

The scope included the period of September 1, 2021, through August 31, 2022.

Results

Monitoring Plan - Account Reconciliations and Segregation of Duties

The Monitoring Plan outlines UT Health's risk-based process for ensuring that accounts at the Institution were reconciled on a routine basis throughout the fiscal year. In addition, it includes the process for ensuring that appropriate segregation of duties among transaction processing, approval, and reconciliation responsibilities. Audit reviewed these processes noting that the Monitoring Plan is operating as intended. Through monitoring efforts, Business Affairs noted an instance where several (15) transactions were processed, totaling approximately \$17,905 for various supplies that were both requisitioned and approved by the same manager. Although the transactions were found to be appropriate, individuals that can both requisition and approve financial transactions should be limited since it effectively circumvents the automated controls within the Institution's financial system.

Sub-Certification

The Monitoring Plan denotes that each Dean and Vice President will complete, sign, and submit a Sub-Certification annually to the Chief Financial Officer, attesting that all accounts under their responsibility have been reconciled. Audit downloaded a listing of all departments from PeopleSoft and their assigned Executive Committee member. This listing was used to validate the sub-certifications received from Business Affairs. Audit notes 100% of required sub-certifications were received and considered complete.

Conclusion

In general, the internal controls surrounding the execution of the Institutional Monitoring Plan and the sub-certification process were in place and operating as intended to ensure compliance with policy UTS 142.1.

Distribution:

William L. Henrich, M.D., MACP President UT Health Science Center San Antonio
Andrea Marks, Senior Executive Vice President and Chief Operating Officer
Gerard E. Long, Associate Vice President, Business Affairs

External Audit Committee Members:

Randy Cain
Ed Garza
Carol Severyn