

The University of Texas at San Antonio

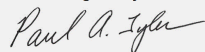
UTSA Auditing & Consulting Services

Employee Benefits Proportionality - FY2020 and FY2021

Project# 2022-04

January 31, 2022

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Executive Summary

Conclusion

The Benefits Proportionality by Fund Reports (APS011) for fiscal years 2020 and 2021 as submitted to the State Comptroller were materially accurate. The process in place to prepare the annual report was sufficient to ensure benefits funding proportionality was applied according to the guidelines established in Section 6.08, page IX-28 of the General Appropriations Act (87th Legislature).

*Note: We examined fiscal year 2019 as a part of our Employee Benefits Proportionality Internal Audit (Project #2020-04) that was submitted to the Legislative Budget Board, the Comptroller of Public Accounts, and the State Auditor's Office on August 31, 2020.

Background

The General Appropriations Act (87th Legislature - page III-46) requires each higher education institution to conduct an internal audit of benefits proportional by fund for fiscal years 2019*, 2020, and 2021 using a methodology approved by the State Auditor's Office. Employee Benefits include employer contributions for:

- Old Age and Survivors Insurance (OASI - Social Security and Medicare)
- Group Insurance Premiums (GIP - employee fringe benefits)
- Teacher Retirement System (TRS)
- Optional Retirement Program (ORP)

Under the proportionality requirements, higher education institutions are prohibited from utilizing a disproportionate amount of funds from State Appropriations to cover employee benefits as compared to the portion of State Appropriations used to cover employee earnings. The UTSA Accounting Office utilizes the State Comptroller's Office provided APS 011 Form at the end of the fiscal year to calculate an estimate of total proportionality benefits funded from State Appropriations compared to actual State Appropriations used. The difference is either paid back to the State or requested as a refund.

Audit Objective

- Ensure that proportional employee benefits by fund are accurately calculated and applied according to the established guidelines set forth in Section 6.08, page IX-28 of the General Appropriations Act (87th Legislature) for fiscal years 2020 and 2021.

Scope and Methodology

Our audit procedures were consistent with the methodology prescribed by the State Auditor's Office to comply with the General Appropriations Act and included:

- Reviewing source information obtained from UTSA's PeopleSoft Accounting system and the State's Uniform Statewide Accounting System,
- Reviewing the benefits proportionality reporting process,
- Validating the accuracy of information and proportional funding calculations reported to the State Comptroller on the APS 011, and
- Testing to verify eligibility of employee benefits paid with appropriated funds.



We conducted this performance 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 based on our audit objectives.

Auditors communicated other, less significant issues separately in writing to university management.