



MEMORANDUM

Date: June 10, 2015

To: Randy Wallace, UT System Associate Vice Chancellor - Controller and Chief Budget Officer
Mike Peppers, UT System Chief Audit Executive

From: J. Richard Dawson, Interim Chief Audit Executive, Office of Internal Audit

Subject: UT System Policy 142.1 Compliance Review

As a part of the UT System Consolidated Annual Financial Report audit, Deloitte & Touche identified a significant deficiency across the UTShare academic institutions. The control deficiencies were related to the PeopleSoft implementation – specifically, lack of adequate control activities for monthly bank reconciliations and journal entry approval. Each institution was requested to update their UTS 142.1 Monitoring Plan to include action plans for resolution of these issues. At your request, this memorandum highlights the results of our review of UT Arlington’s Monitoring Plan, which was updated in February 2015.

Conclusion – Current FY15 Monitoring Plan

UT Arlington’s Monitoring Plan updated in February 2015 complies with UT System Policy 142.1 *Policy on the Annual Financial Report* and includes adequate control activities for monthly bank reconciliations and journal entry approval.

Bank Reconciliations FY14 & FY15

UT Arlington’s Division of Business Affairs is continuing to work with the UT System Shared Business Operations Office to resolve the bank reconciliation deficiency.

The UT System Shared Information Systems Office (SIS) is working on system improvements so that Accounting Services can use the book-to-bank tool. The issues will require SQL fixes and a comprehensive review by SIS. Without these tools working properly, Accounting Services has been working on manually reconciling the accounts. Accounts are being reconciled by month, but, they are not completely caught up on all bank accounts through February.

FY14 Journal Entry Approval

Based on the limited scope audit procedures performed by Deloitte & Touche, journal entries tested had appropriate manual approvals and no issues were noted at UT Arlington. It is the practice of UT Arlington to obtain an approver (separate from the creator) on journals. Accounting Services is currently testing new functionality for journal workflow and anticipates rolling that functionality out in the near future.

FY15 Department Cost Center/Project Reconciliations

In November 2014, the Division of Business Affairs hired accountants with PeopleSoft experience from Robert Half. These accountants have been deployed to go into the departments and assist with getting the cost center/project reconciliations completed. These persons will stay until year end (8/31/2015). Currently, 42% of reconciliations have been completed through the most recently closed month (February).