



THE UNIVERSITY OF TEXAS AT TYLER
Office of Audit Services
3900 University Boulevard, Tyler, TX 75799 (903) 565-5644

November 25, 2014

Dr. Rod Mabry, President
University of Texas at Tyler
3900 University Blvd.
Tyler, TX 75799

Dear Dr. Mabry,

We have completed our audit of Benefits Proportionality by Fund for The University of Texas at Tyler (UT Tyler) as requested by Governor Rick Perry. Based on audit procedures performed, which were provided by The University of Texas System (UT System) Audit Office, the *Benefits Proportional by Fund Report* (APS 011) for appropriation year (AY) 2013, as revised and submitted to the State Comptroller on September 12, 2014, was materially accurate and no reimbursement is due. The process in place to prepare the annual report is sufficient to ensure benefits funding proportionality is applied according to the guidelines established in Article IX, Section 6.08, of the General Appropriations Act.

The scope of our audit was limited to the benefits funding proportionality reporting for AY 2013. Therefore we make no assertions regarding prior reports.

Our audit methodology included review of source information obtained from the UT Tyler internal accounting system and the State's Uniform Statewide Accounting System (USAS). We relied upon work conducted in previous audits by our office and our external audit firm, to gain assurance about the reliability of data in our internal accounting system and USAS. Based on that work, we determined that the information in these systems was sufficiently reliable for the purposes of this audit. In addition, we reviewed the benefits proportionality reporting process with relevant staff, validated the accuracy of information and proportional funding calculations reported to the State Comptroller on the *Benefits Proportional by Fund Report* (APS 011), and tested to verify eligibility of employee benefits paid with appropriated funds. Sample size for testing was determined following guidance on internal control testing for compliance from the American Institute for Certified Public Accountants (AICPA). The audit was conducted in accordance with the guidelines set forth in The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

Based on our review, we found the AY 2013 revised APS 11 report to be fairly stated with immaterial and isolated differences when compared to the UT Tyler internal accounting system and USAS.

We appreciate the assistance of the UT System Internal Audit department and the UT Tyler Budget Office and Financial Services Office during this audit.

Sincerely,



Lou Ann Viergever
Lou Ann Viergever, CPA, CIA, CRMA
Executive Director of Audit and Consulting Services

cc: Mr. Jesse Acosta, Vice President for Administration, UT Tyler
Mr. J. Michael Peppers, Chief Audit Executive, UT System
Mr. Randy Wallace, Associate Vice Chancellor – Controller and Chief Budget Officer, UT System