

The University of Texas at Tyler

**The Office of the President
Change in Management Audit**



May 2017

THE UNIVERSITY OF TEXAS AT TYLER
OFFICE OF AUDIT AND CONSULTING SERVICES
3900 UNIVERSITY BOULEVARD
TYLER, TEXAS 75799

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Fiscal Year 2017

BACKGROUND

An audit of the Office of the President was conducted as a result of the retirement of the President in December 2016 and appointment of a new President in January 2017. The University of Texas at Tyler's (UT Tyler) Institutional Audit Committee (IAC) requests a change in management audit for executive level positions; therefore this audit was included in the FY 2017 Annual Audit Plan.

AUDIT OBJECTIVE

The objective of the audit was to conduct a review of operations, including financial transactions and reconciliations, for compliance with State of Texas, University of Texas System, and UT Tyler rules and regulations.

STANDARDS

The audit was conducted in accordance with guidelines set forth in *The Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing*.

SCOPE

This scope covered September 1, 2015 through January 31, 2017. UT Tyler departments, including Budget and Financial Reporting, Financial Services, Human Resources, and Information Security, have oversight responsibilities related to operations; therefore, areas reviewed by these departments were excluded from the scope of this audit. The Compliance Office completed a Quality Assurance Review (QAR) in April 2017, which included reviewing departmental transactions for segregation of duties, salaries, wages, receipts, expenditures, and account reconciliations. No weaknesses were noted in these areas; therefore, detailed testing of transactions in this audit was limited to transactions not included in the QAR such as departmental transfers. The University of Texas System Audit Office conducts an annual audit on President's Travel and Entertainment and the University of Texas at Tyler conducts an annual audit of Executive Travel and Entertainment; therefore, travel and entertainment transactions were not included in the QAR or audit testing.

PROCEDURES:

To accomplish the audit objectives, the following procedures were completed:

- Interviews were conducted with the new President and his executive assistant to determine adequacy of internal controls including segregation duties and account reconciliations.
- A judgmental sample of transactions was selected from the PeopleSoft accounting system based on amount, account, and description.
- The transactions were reviewed for compliance with rules and regulations including reasonableness and appropriateness.

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AUDIT RESULTS

According to The University of Texas System Audit Office, “A *Priority Finding* is defined as an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole. *Non-Priority Findings* are ranked as *High, Medium, or Low*, with the level of significance based on an assessment of applicable *Qualitative, Operational Control, and Quantitative risk factors and probability of a negative outcome occurring if the risk is not adequately mitigated*. This audit resulted in no findings.

CONCLUSION

The Office of President is generally in compliance with rules and regulations related to fiscal account management with State of Texas, University of Texas System, and UT Tyler rules and regulations. The office has adequate internal controls and segregation of duties.

We commend the office personnel on maintaining required documentation and following the many guidelines related to fiscal transactions.