



School of Behavioral and Brain Sciences

Audit Report No. R2512 | *February 3, 2025*



Executive Summary

Audit Objective

To evaluate financial and accounting processes, internal controls systems, and the effectiveness and efficiency of related operations and controls in the School of Behavioral and Brain Sciences.

Primary Risk Type

Finance

Last Audit

May 28, 2021

Controls and Strengths

The School of BBS:

- Offers financial support for staff to pursue job-related continuing education credits, certifications, and attend conferences.
- Has implemented UT Dallas policy and controls for supplemental pay for faculty and staff.
- Monitors effort reporting for each researcher and certifies their effort on a monthly basis.
- Adheres to UT Dallas purchasing policies, OneCard guidelines, and gift and grant policies and regulations.

Overall Conclusion

Generally, the School of Behavioral and Brain Sciences has good internal controls in place. Improvements in the areas noted below will help enhance the effectiveness and efficiency of controls over financial and accounting processes and asset inventory

Observations by Risk Level

Management has reviewed the observations and has provided responses and expected implementation dates. Detailed information is included in the attached report.

Recommendation	Risk Level	Management's Implementation Date
1. Develop Procedures for Timely Cost Center Reconciliation and Approval	Medium	August 31, 2025
2. Develop Procedures to Strengthen Controls Over Asset Inventory	Medium	May 30, 2025
<i>For details about the audit procedures, explanation of risk levels, and report distribution, please see Appendices A, B, and C, respectively, in the attached report.</i>		



Detailed Audit Results

The following are reportable observations and recommendations noting opportunities to enhance controls in the areas of Cost Center Reconciliations/Approvals and Property. Minor recommendations related to department expense policies were shared verbally with management.

1. *Develop Procedures for Timely Cost Center Reconciliation and Approval*

According to the Office of Budget and Finance's cost center guidelines¹, cost center reconciliation and approval are required within 30 days after month-end closing. In testing controls over cost center reconciliation and approval, including compliance with cost center reconciliation-related policies, the following was noted for FY25:

- 30.3% (996 of 3,286) of cost centers were reconciled past the deadline
- 47.5% (1,561 of 3,286) of cost centers were approved past the deadline

Medium Risk: Without timely cost center reconciliation and approval, there is an increased risk of error, fraud, and inefficiency.

Recommendation: Develop procedures to ensure compliance with cost center guidelines related to timely reconciliations and approvals.

Management's Action Plan:

BBS experienced tremendous turnover in FY24, which adversely affected our operations. The new SFO was hired in October and in training until December. Simultaneously, the business manager who was filling in on some of the SFO duties as a backup went out on maternity leave. We had an entirely new staff starting in Fall in the department of Psychology and further turnover of the only staff member in SLH over late spring, early summer. All of this was further complicated due to a lean and fragile structure for reconciliations with limited areas of redundancies.

In review of the existing structure, it became clear that the cost center reconciliation responsibilities were not evenly distributed. The majority fell on a handful of individuals. These individuals may have responsibility for the cost center reconciliation but not have

¹ <https://finance.utdallas.edu/managing-departmental-finances/cost-center-reconciliation/>



the necessary documentation to support the purchase that is posted directly to the ledger (i.e., eship global, etc). We discovered that each department had their own repository that was not always accessible to the individuals who were reconciling, creating tremendous administrative burden and excessive time to track.

As part of a solution-based approach to improve our average time for cost center reconciliation and approval, we have instituted a central repository for all admins to deposit required receipts and written authorizations, allowing for less back and forth in locating and verifying expenses posted to cost centers. We provided training to our ASOs and AAs on use of the repository in our September 2024 monthly meeting. For the new staff in SLH who started in August 2024, we provided 2 half days of training on reconciling, providing tools to track expenses prior to posting. In addition, we delegated cost center reconciliation responsibilities to a larger group of individuals, cutting down on the number of cost centers per individual. This list is posted in our central repository and can be filtered by reconciler for transparency. This document also tracks which cost center is reconciled, approved, or needs addressing by period.

A policy and procedures document is currently being drafted. The new policy will be shared with the cost center owner and reconciler each time a cost center is created. Re-training and reminders of the policy will be shared on an annual basis. With the goal to create consistency in communication, the following schedule will be established where automated emails will be sent to both the reconcilers and cost center approvers on the following schedule:

- Reconciliations due by 30th of the month
- Approvals are due 30 days after reconciliation opens (typically around the 10th of the following month)

An escalating resolution procedure will be instituted to facilitate adherence to this schedule:

Reconciliations

- Reconciliation Period Open – email sent to reconciler
- 30th of the Month – email reminder sent to those who have not reconciled
- One-week past deadline to reconcile – email reminder will include Assoc Dean of Administration
- Two-week past deadline – email reminder will include BBS Dean

Approvals

- Email sent to approver



- 10th of the Month – email reminder sent to those who have not approved
- One-week past deadline to approve – email reminder will include Department Heads
- Two-week past deadline – email reminder will include BBS Dean

Responsible Party Name and Title: Marguerite Sallet, School Fiscal Officer

Estimated Date of Implementation: Policy finalized and implemented by 2/28/2025. Follow-up compliance review by 8/31/2025

2. *Develop Procedures to Strengthen Controls over Asset Inventory*

UTDBP3066, *Property Administration*², outlines the policies and procedures for university property, stating that each department head is responsible for the “proper custody, maintenance, and safekeeping of UTD property assigned to their department.” As of October 2024, the School’s property totaled \$10,833,421. Controls over property, including compliance with university policies, were tested, and the following observation was noted:

Medium Risk: Lack of formal procedures over assets, including periodic inventories, can lead to the loss or misuse of assets and can result in financial losses, reputational risks, and noncompliance with State and University regulations and policies.

- 44.1% (15 of 34) of assets tested were not in the correct location per PeopleSoft.
- Procedures did not exist to enhance effective stewardship and accountability of mobile assets that are taken off campus.

Recommendation: Develop departmental procedures to strengthen asset inventory tracking.

Management’s Action Plan:

BBS has experienced growth in faculty and expansion in space. Over the last few years, the school has expanded to 9 buildings across Richardson and Dallas and there have been several construction projects that entailed moving people and assets around. The audit revealed that 15 of 34 assets were not in the location listed in PeopleSoft. Six (6) of these assets were in temporary locations due to

²<https://policy.utdallas.edu/utdbp3066>



construction, three (3) were listed in rooms that had been renovated to include sub rooms or storage closets, and the other six (6) were moved as people were assigned new spaces, and the asset move was not properly recorded.

We realize that there is a need to create more structure in the asset management process that includes process, timelines, and assigned responsibility. The following actions will be implemented to address these issues:

- We will request an additional Area ID for Psychology to help with responsibility delegation. This will allow for each Area ID to have a liaison to assist in the overall management of this process.
- Property custodians will be sent notice of changes and re-trained in management of their property.
- We have requested access and training for the PeopleSoft Asset Management tools for more accurate and timely reporting of asset moves, including temporary moves.
- We will create an internal mobile asset e-form for tracking laptops and other equipment that leaves campus. This form will include an acknowledgment of the policy and serve as a tracking tool to streamline the process of annual mobile asset re-certification and return of items.
- We will send automated quarterly e-mail reminders to custodians as a reminder to update inventory if changes have been made.
- We will conduct annual spot checks for high-value items and risk areas.
- We will develop an escalation protocol for non-responsive custodians to include communication with supervisors, department heads, and the School Dean.
- We will review and revise the current offboarding process for return of property assets and clarify expectations and timelines and create clear lines of responsibilities to confirm the proper transfer of assets back to UTD upon departure.

Responsible Party Name and Title: Lisa Jimenez, Associate Dean for Administration and Rocky Shen, Manager of Information Technology

Estimated Date of Implementation: Process finalized by 2/28/2025. Full implementation by 5/30/2025.



Overall Conclusion

Generally, the School of Behavioral and Brain Sciences has good internal controls in place. Improvements in the areas noted below will help enhance the effectiveness and efficiency of controls over financial and accounting processes and asset inventory.

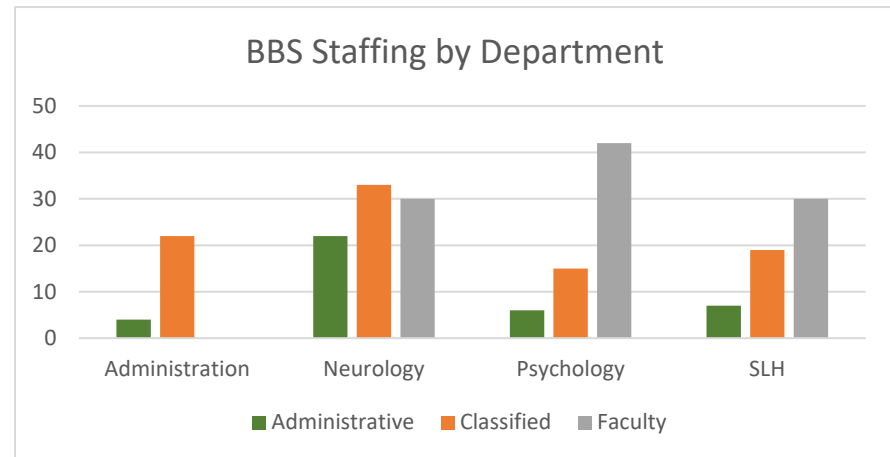


Appendix A: Information Related to the Audit

Background

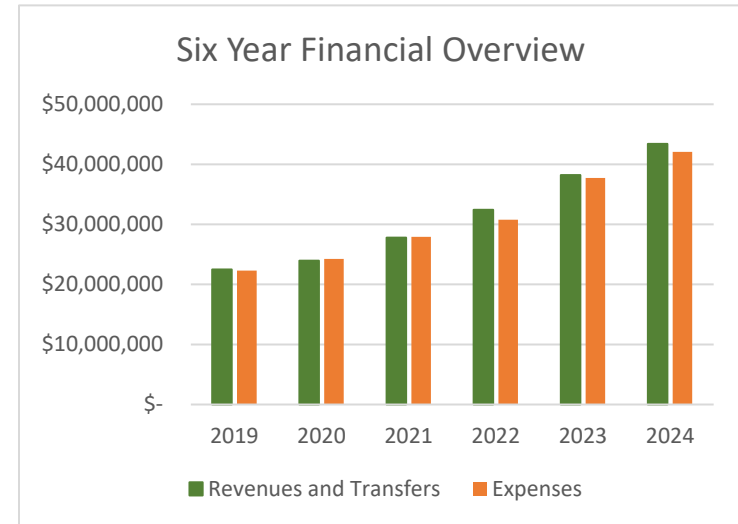
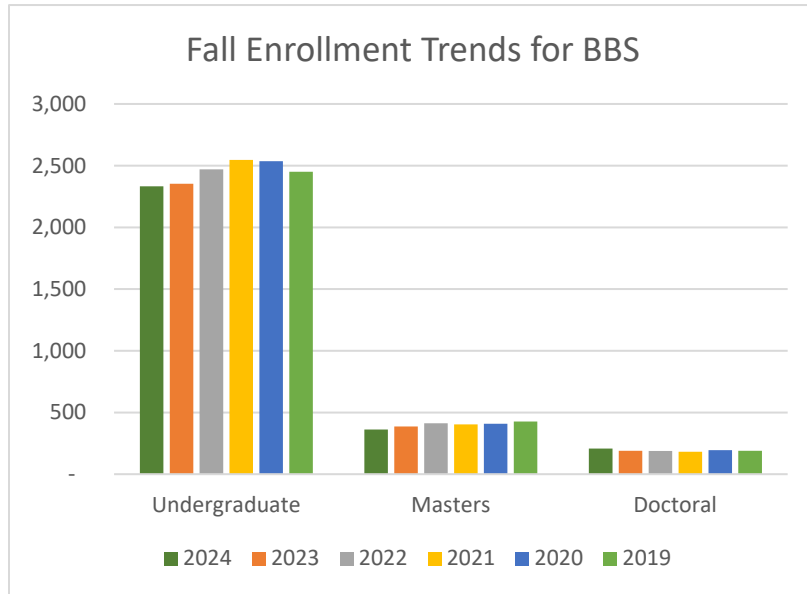
The School of Behavioral and Brain Sciences is comprised of four departments: School Administration, Neuroscience, Psychology, and Speech, Language, and Hearing. The School's research is also enhanced through affiliations with six centers in the Dallas area: Callier Center for Communication Disorders, Center for Advanced Pain Studies, Center for BrainHealth, Center for Children and Families, Center for Vital Longevity and Texas Biomedical Device Center. These centers are not included in the scope of this audit.

The Dean of the School reports to the Provost and has been at UT Dallas since August 2024.





As shown in the chart, the School had \$42,082,467 in expenses for FY24, and \$43,402,418 in revenues that included budgetary transfers of \$25,313,426. The primary source of revenue for the School is grants and research. Budget transfers were allocations from the Provost from state funding and designated tuition.



The School offers five undergraduate degree programs, four Master of Science programs, and four doctoral degree programs. The chart below shows the enrollment trends for the Fall semester for the current and prior five years (2019 through 2024) by academic classification. Undergraduate includes students Freshman to Senior and those seeking a second bachelor's degree. Doctoral students are those enrolled in a Doctor of Philosophy or Audiology program.



Objective

To evaluate financial and accounting processes, internal controls systems, and the effectiveness and efficiency of related operations and controls in the School of Behavioral and Brain Sciences.

Scope

The scope of the audit was FY24 – 25, to date. Fieldwork was conducted from October 2024, and the audit concluded on January 8, 2025.

Methodology

The audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted the audit in conformance with generally accepted government auditing standards (GAGAS). Both standards are required by the Texas Internal Auditing Act, and they require that we plan and perform the audit to obtain sufficient, proper 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. The Office of Audit and Advisory Services is independent in based on both standards for internal auditors.

GAGAS also requires that auditors assess internal control when it is significant to the audit objectives. We used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework in assessing internal controls³.

³ <http://www.coso.org>



Our audit procedures included interviews, observations of processes, reviews of documentation, and testing. We also provided best practices for the leadership team in ways to reduce risks and enhance controls.

The following table outlines our audit procedures and overall controls assessment for each of the audit area objectives performed.

Audit Area	Procedures	Observations Related to the Audit Area
Gaining an Understanding	Gained an understanding of operations by interviewing key responsible parties and reviewing policies, procedures, and other related documentation, as necessary.	N/A
Expenses	Determine if controls over expenses were adequate to ensure the efficiency and effectiveness of processes, the achievement of organizational objectives, the reliability of and integrity of financial information, and compliance with laws, regulations, policies, procedures, gifts, grants, and contracts.	N/A
Property and Assets	Determined if controls over assets were adequate to ensure the efficiency and effectiveness of processes, the reliability of and integrity of financial information, the safeguarding of assets, and compliance with laws, regulations, policies, procedures, and contracts.	#2
Payroll	Determined the effectiveness of controls over hourly employees and supplemental pay, ensuring compliance with UTD policy.	N/A
Cost Center Reconciliations	Determined the effectiveness of controls over cost center reconciliations.	#1
Remote Workforce	Determined the effectiveness of controls over remote work approvals.	N/A



Audit Area	Procedures	Observations Related to the Audit Area
Time and Effort Reporting	Determined if the School was in compliance with federal and university policies and procedures over time and effort reporting.	N/A

Follow-up Procedures

Though management is responsible for implementing the course of action outlined in the response, we will follow up on the status of implementation after the expected implementation dates. Requests for extension to the implementation dates may require approval from the UT Dallas Audit Committee. This process will help enhance accountability and ensure that prompt action is taken to address the observations.



Appendix B: Observation Risk Rankings

Audit observations are ranked according to the following definitions, consistent with UT System Audit Office guidance.

Risk Level	Definition
Priority	If not addressed immediately, a priority observation has a significant probability to directly affect the achievement of a strategic or important operational objective of UT Dallas or the UT System as a whole. These observations are reported to and tracked by the UT System Audit, Compliance, and Risk Management Committee (ACRMC).
High	High-risk observations are substantially undesirable and pose a high probability of adverse effects to UT Dallas either as a whole or to a division/school/department level.
Medium	Medium-risk observations are considered to have a moderate probability of adverse effects to UT Dallas either as a whole or to a division/school/department level.
Low	Low-risk observations are considered to have a low probability of adverse effects to UT Dallas either as a whole or to a division/school/department level.
Minimal	Some recommendations made during an audit are considered of minimal risk, and the observations are verbally shared with management during the audit or at the concluding meeting.



Appendix C: Report Submission and Distribution

We thank the School of Behavioral and Brain Sciences management and staff for their support, courtesy, and cooperation provided throughout this audit.

Respectfully Submitted,

DocuSigned by:

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Toni Stephens, CPA, CIA, CRMA, Chief Audit Executive

Distribution List

Members and ex-officio members of the UT Dallas Institutional Audit Committee

Responsible Vice President

Dr. Inga Musselman, Vice President of Academic Affairs and Provost

Persons Responsible for Implementing Recommendations:

Dr. Lisa Jimenez, Associate Dean for Administration

Ms. Marguerite Sallet, School Fiscal Officer

Mr. Rocky Shen, Manager of Information Technology

Other Interested Parties

Dr. Adam Woods, Dean

Ms. Heather Burge, Associate Provost

External Parties

- The University of Texas System Audit Office
- Legislative Budget Board
- Governor's Office
- State Auditor's Office

Engagement Team

Project Leader: Ms. Heather Mariani, CPA, CIA, CISA, Audit Manager

Staff: Mr. Brian Seale, Auditor II