



UT Tyler

THE UNIVERSITY OF TEXAS AT TYLER

Internal Audit Department

October 29, 2025

Dr. Julie Philley
President
The University of Texas at Tyler
3900 University Blvd.
Tyler, TX 75799

Dr. Philley,

We completed the Research Time and Effort Audit that was part of the University of Texas at Tyler's (UT Tyler) Fiscal Year (FY) 2025 Audit Plan. The objective of the audit was to evaluate the adequacy of processes and controls for accurate time and effort reporting for sponsored research. The scope of the audit was for the University of Texas at Tyler (UT Tyler) Main campus and Health Science Center (HSC) campus for September 1, 2024 through June 30, 2025.

This audit was conducted in accordance with guidelines set forth in The Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards. We appreciate the assistance provided by management and other personnel and hope the information presented in our report is helpful.

Sincerely,

Stephen Ford
Chief Risk Officer, Acting Chief Audit Executive

Enclosure

cc:

Mr. Daniel Deslatte, Chief Business Officer
Dr. Barbara Haas, Provost
Dr. Amir Mirmiran, Chief Research Officer
Ms. Lisa Bush, Associate Vice President, Research Administration
Ms. Angela Nunez, Director-Sponsored Programs
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Research Time and Effort Audit



October 29, 2025

INTERNAL AUDIT DEPARTMENT
3900 UNIVERSITY BOULEVARD
TYLER, TEXAS 75799

AUDIT OBJECTIVE

The objective of the engagement was to evaluate the adequacy of processes and controls for accurate time and effort reporting for sponsored programs.

CONCLUSION

This audit identified four (4) opportunities for improvement to strengthen controls and processes related to time and effort reporting.

OBSERVATIONS

As part of our audit, we selected 14 different grants inclusive of federal, state, pass through federal, and pass through state sponsor types with a variety of different sponsors. From these 14 grant selections, 23 employees were selected, and a total of 8 individual tests were performed for each of the employees. The eight (8) individual tests are listed below.

The below 8 tests were performed for each of the 23 selected employees:

- Was the personnel form approved by the Office Sponsored Programs (OSP) (1 exception);
- Was the personnel form timely (16 exceptions);
- Did the personnel form match the grant documents (5 exceptions);
- Did the ECRT percentage match the personnel form (2 exceptions);
- Was the ECRT certification completed (2 exceptions);
- Was the ECRT signed by the Principal Investigator (PI) (2 exceptions);
- Was the ECRT signed timely (3 exceptions); and
- Was the Payroll distribution accurate (3 exceptions).

This audit identified the following opportunities for improvement:		
1	High	<i>Personnel Form Completion Timeliness</i>
2	High	<i>Oversight of Grant Requirements</i>
3	High	<i>Ensure Personnel Forms are Accurate and Processed Correctly</i>
4	Medium	<i>Update ECRT Procedures</i>

#1: Personnel Form Completion Timeliness

High: Personnel forms that are not completed timely could affect the accuracy of the payroll earnings, accounting records, and ECRT.

Timely completion of personnel forms is essential to ensure Payroll documentation remains accurate and accounting records reflect correct financial amounts. Failure to process personnel forms timely may result in inaccurate ECRTs and discrepancies in Payroll and Accounting data. It was noted that 16 out of 23 employees tested had late personnel forms submitted.

Opportunity for Improvement: OSP should proactively communicate to PIs and their teams the importance of submitting personnel forms timely for employees working on sponsored projects.

Timely submission ensures accurate payroll allocation, supports compliance with grant requirements, and helps maintain the integrity of financial and certification records.

Management Response:

Agreed. The Post Award team has updated the Grant Kick-Off Meeting process to include identification of the individual on the PI's research team responsible for entering eForms. This information will also be included in the summary email sent to all faculty and administrative support staff associated with the grant. The summary email identifies key stakeholders in the award management as well as responsibilities, deadlines, and reporting requirements.

The new UT Share implementation for the Health Science Center will enable both campuses to follow the same standardized processes. This standardized process includes the Post Award team having a verification and sign off step in the eForm approval process for all grants.

To support administrative research staff, a dedicated Microsoft Teams channel will be launched and maintained by the Post Award team, providing centralized resources and guidance for both campuses.

Additionally, the Post Award team will host Award Management Training Sessions and Time/Effort Training Sessions in Fall 2025 and Spring 2026, open to all researchers and research staff from both campuses. Additionally, the training sessions will be recorded and added to the Research website as an available resource.

Responsible Person(s): Lisa Bush and Angela Nunez

Anticipated Implementation Date:

- Updated process for Grant Kick-Off Meeting—September 2025
- UT Share implementation for HSC—September 2025
- Award Management Training Sessions and Time/Effort Training Sessions for Researchers—Fall 2025 and Spring 2026
- Recording of Training Sessions added to Research website—January 2026
- Microsoft Teams Channel for administrative research staff—September 2025

#2: Oversight of Grant Requirements

High: Inadequate oversight could result in noncompliance with grant requirements.

OSP is responsible for grants at UT Tyler. This responsibility includes ensuring compliance with grant requirements, including the accuracy of ECRT reports. A review of Payroll distribution records revealed that 4 out of 23 employees had a different percentage charged to the grant than indicated on the grant documents and 1 employee was not listed among the employees working on the grant in the budget detail report.

Opportunity for Improvement: OSP should verify the accuracy and appropriateness of employee assignments to each grant to ensure budget allocations and sponsor requirements

align. This oversight helps maintain compliance and supports the integrity of grant-funded activities.

Management Response:

Agreed. The UT Share implementation for the Health Science Center will align processes across both campuses, allowing both to follow the same procedures for Post Award activities, specifically in the handling of eForms. This standardized process includes the Post Award team having a verification and sign off step in the eForm approval process for all grants. This verification step will help ensure accuracy and appropriateness of employee assignments to each grant to ensure budget allocations and sponsor requirements align.

Additionally, the rollout of the new Time and Effort system (CAYUSE time and effort) will offer an updated platform for Principal Investigators and Post Award staff to certify time and effort for employees paid from sponsored projects.

Responsible Person(s): Angela Nunez and Lisa Bush

Anticipated Implementation Date:

- UT Share Implementation at HSC—September 2025
- Full Implementation of new Cayuse Time and Effort system on both campuses—March 2026

#3: Ensure Personnel Forms are Accurate and Processed Correctly

High: Inaccurate personnel forms could result in repayment of funds, penalties, and loss of future funding.

Employee appointment information is recorded in the PeopleSoft Accounting System through personnel forms, which is inclusive of salary allocations to grants. Leveraging grant funding where appropriate helps preserve University funds for other institutional priorities. A review of payroll distributions revealed that 3 out of 23 entries did not align with the corresponding personnel form.

- One employee's personnel form reported 100% charged to the grant. Payroll distribution records indicated the employee was charged 100% to the institution.
- One employee's personnel form reported 41% charged to the grant. Payroll distribution records indicated 26.67% was charged to the grant.
- One employee's personnel form reported that 50% was charged to the grant. Payroll distribution records indicated that 51.88% was charged to the grant.

Opportunity for Improvement: OSP should review employee personnel forms and related Payroll distribution records to verify that salary charges are accurately allocated to the appropriate grant.

Management Response:

Agreed. The UT Share implementation for the Health Science Center will align processes across both campuses, allowing both to follow the same procedures for Post Award activities, specifically in the handling of eForms. This standardized process includes the Post Award team having a verification and sign off step in the eForm approval process for all grants. This verification step will help ensure that OSP reviews and verifies that salary charges are accurately allocated to the appropriate grant.

Responsible Person(s): Angela Nunez and Lisa Bush

Anticipated Implementation Date:

- UT Share Implementation at HSC—September 2025

#4: Update ECRT Procedures

Medium: Inaccurate reporting of ECRTs could result in penalties, loss of future funding, or repayment of funds.

Departmental procedures should be revised to align with current operational practices. As of September 1, 2025 Go Live for the HSC Campus, all UT Tyler campuses are now utilizing the UT Share version of PeopleSoft. Accordingly, procedures related to processing ECRTs should be updated to reflect the new PeopleSoft implementation and ensure consistency.

Opportunity for Improvement: OSP should consider developing standardized procedures for processing ECRTs to ensure consistency, accuracy, and overall compliance across UT Tyler.

Management Response:

Agreed. The UT Share implementation for the Health Science Center will align processes across both campuses, allowing both to follow the same procedures for Post Award activities.

The rollout of the new Time and Effort system (CAYUSE time and effort) will offer an updated platform for Principal Investigators and Post Award staff to certify time and effort for employees paid from sponsored projects. The use of this platform will create a standardized procedure for processing ECRTs across both campuses to ensure consistency, accuracy, and overall compliance.

Additionally, the Post Award team will host Award Management Training Sessions in Fall 2025 and Spring 2026, open to all researchers and research staff from both campuses as well as Time and Effort Training sessions in Fall 2025 and Spring 2026. The training sessions will be recorded and added to the Research website as an available resource.

To support administrative research staff, a dedicated Microsoft Teams channel will be launched and maintained by the Post Award team, providing centralized resources and guidance for both campuses.

Responsible Person(s): Angela Nunez and Lisa Bush

Anticipated Implementation Date:

- Award Management and Time/Effort Training Sessions—Fall 2025 and Spring 2026
- Recording of Training Sessions added to Research website—January 2026
- Microsoft Teams Channel for administrative research staff—September 2025
- UT Share Implementation at HSC—September 2025
- Full Implementation of new Cayuse Time and Effort system on both campuses—March 2026

BACKGROUND

The Research Time and Effort Audit was completed as part of the FY 2025 Audit Plan as a risk-based audit. OSP serves the UT Tyler by procuring and managing externally funded projects, which includes ensuring compliance with federal and state regulations. Currently, UT Tyler has approximately 222 active grants.

False and inaccurate time and effort reporting can lead to financial risk, including the loss of current sponsored funding and the loss of future sponsored funding, reputational risk, and could potentially be criminally prosecuted under the False Claim Act. Regulation 45 CFR 75.430, *Compensation – Personnel Services*, requires that charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed.

In FY 2023, an audit was conducted to test the ECRT process and reports for both the UT Tyler Main campus and the HSC campus. That audit presented opportunities in oversight, ECRT timely notification, accuracy in personnel forms, ECRT accuracy, and timely ECRT certification.

STANDARDS

The audit was conducted in accordance with guidelines set forth in *The Institute of Internal Auditors’ International Standards for the Professional Practice of Internal Auditing* and *Generally Accepted Government Auditing Standards*.

SCOPE AND PROCEDURES

The scope of the audit was from September 1, 2024 through June 30, 2025.

To achieve the audit objective, we:

- Reviewed Federal regulations and UT Tyler policies and procedures;
- Selection of a sample of UT Tyler Main campus and HSC campus grants and the associated employees from various funding sources;
- Verified personnel forms were approved by OSP;
- Compared data included in the personnel forms to the grant documents;
- Recalculated ECRT data to verify its accuracy in comparison to personnel forms; and
- Verified each selected ECRT was certified, signed, and dated appropriately.

OBSERVATION RANKINGS

Internal audit departments across the University of Texas System use a consistent process to evaluate audit results based on risk factors and the probability of a negative outcome.

Legend	
Priority	<i>A finding is defined as an issue that if not addressed immediately, has a high probability to directly impact achievement of a strategic or important operational objective of UT Tyler.</i>
High	<i>A finding that is considered to have a <u>medium to high probability</u> of adverse effects to UT Tyler as a whole or to a significant college or department.</i>
Medium	<i>A finding that is considered to have a <u>low to medium probability</u> of adverse effects to UT Tyler as a whole or to a college or department.</i>

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Low	<i>A finding that is considered to have a <u>minimal probability</u> of adverse effects to UT Tyler as a whole or to a college or department. These findings are communicated separately to management.</i>
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