



THE UNIVERSITY
OF TEXAS AT DALLAS

Office of the Vice President for Budget and Finance

Audit Report No. 2611

April 2, 2026



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Executive Summary

Audit Objective

To assess the adequacy and effectiveness of the Office of the Vice President for Budget and Finance’s governance framework, risk management processes, and internal controls in supporting compliance, safeguarding resources, reliable and accurate information, the effective and efficient use of resources, and achieving strategic and operational objectives.

Primary Risk Types

Finance

Date of Last Audit

August 15, 2013

Controls and Strengths

- Strong controls related to approvals and documentation exist over expenses.
- Strong controls related to approvals and justifications exist over additional/supplemental pay.
- The department utilizes an internal Power BI dashboard to help track assets.
- The department utilizes an internal cost center reconciliation guide which ensures less frequent issues during the process.

Overall Conclusion

Generally, the Office of the Vice President for Budget and Finance have adequate and effective governance, risk management, and internal controls processes. However, controls over conflicts of interest and conflicts of commitment, asset management, and cost center reconciliations can be improved.

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.

Observation	Risk Level	Management’s Implementation Date
1. Conflicts of Interest and Commitment	High	March 31, 2026
2. Asset Management	Medium	June 30, 2026
3. Cost Center Reconciliations	Medium	April 30, 2026

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.



Detailed Audit Results

The following are reportable observations, listed in order of risk, noting opportunities to enhance controls in the areas of conflicts of interest and conflicts of commitment, asset management, and cost center reconciliations. Minor recommendations related to expense documentation were shared verbally with management. See Appendix B on page 10 for definitions of observation risk rankings.

1. Conflicts of Interest and Commitment

High Risk: Noncompliance with conflicts of interest and commitment policies could result in misuse of university funds, noncompliance, fraud, and reputational harm.

Observation

According to UTDP1100 - Conflicts of Interest and Conflicts of Commitment Policy, “UT Dallas employees may not have a direct or indirect interest, including financial and other interests, or engage in a business transaction or professional activity, or incur any obligation of any nature that is in substantial conflict with the proper discharge of the employees’ duties to their institution. Activities on behalf of outside entities or individuals must not interfere with an employee’s fulfillment of his/her duties and responsibilities to UT Dallas.” Per UTD’s Conflict of Interest and Commitment website¹, all conflicts of interest and conflicts of commitment must be disclosed.

We tested controls over conflicts of interest and conflicts of commitment and noted the following:

- Three employees did not have a conflict of interest and conflict of commitment disclosure on file. A disclosure is required for certain employees involved in procurement activities or contract management.
- Three employees with possible outside activities did not have a disclosure on file for those activities.

Criteria & Cause

[UTDP1100 - Conflicts of Interest and Conflicts of Commitment](#)

[UTDP1101 - Outside Activity Policy Executive Officers and Employees Involved in Procurement Activities or Contract Management](#)

[UTDP1102 - Outside Activity Policy for All Employees Excluding Executive Officers and Employees Involved in Procurement Activities or Contract Management](#)

The Office of the Vice President for Budget and Finance did not have procedures to monitor conflicts of interest and commitment disclosures.

Management’s Action Plan

To address the identified risk and strengthen internal controls, the following recommendations and actions will be implemented:

¹ <https://research.utdallas.edu/security-ethics/conflict-of-interest/conflict-of-interest-and-commitment-disclosure-responsibilities>



1. **Annual Reminder Communication:** The Office of the Vice President of Budget and Finance will distribute an annual reminder to OBF employees, emphasizing compliance expectations and providing links to relevant resources.
2. **Employee Certification and Confirmation:** Employees should review the relevant resources, submit forms if needed, and notify Barbi of submission. If a submission is not needed, no notification is required.
 - a. The VP, AVP over Procurement and employees in Purchasing and Contracts are required to submit a CID form.
3. **Timeline:** Reminder emails will be issued by mid-March with a submission deadline of March 31.
4. **Tracking and Documentation:** The Office of the Vice President will keep a record of all annual submissions reported by employees in response to the email.
5. **Annual Reporting:** The Office of the Vice President will provide annual compliance reports to Audit upon request.

Action Plan Owner(s):

Barbi Matthews, Administrative Assistant III, VP OBF

Due Date:

March 31, 2026

2. Asset Management

Medium Risk: Lack of controls over asset management 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.

Observation

The Office of the Vice President for Budget and Finance is responsible for 168 assets totaling \$368,720. We tested controls over assets for effectiveness of processes, reliability of information, safeguarding, and compliance with policies and procedures related to asset inventory and noted the following:

- The department primarily works remotely and utilizes UTD remote work agreements (RWAs) to track remote assets. Human Resources stated that the RWAs should not be used for this purpose.
- Two assets could not be located.
- Two assets were no longer in the possession of the listed custodian.
- One asset was not in the correct location.

Criteria & Cause

According to UTDBP3066 – Property Administration Policy, “Each department head acts as the custodial authority for the personal property within his/her allocated area and is responsible for the stewardship and maintenance of UTD property. It is important that accurate property control records be maintained, not only at the University level, but also at the departmental level...”²

² UTDBP3066 – Property Administration Policy: <https://policy.utdallas.edu/utdbp3066>



The Office of the Vice President for Budget and Finance has not performed yearly reviews of all departmental assets.

Management’s Action Plan

The Central Business Office (CBO) will undertake the following actions to conduct a comprehensive review of asset details and update tracking records accordingly:

1. **Annual Survey:** The CBO will distribute an annual survey to all OBF employees to verify the details of assets in their possession.
2. **Backup Assets:** All backup assets will be removed from departmental custodianship and either transferred to surplus or repurposed. Departments will no longer retain assets in storage.
3. **Assets Assigned to Vacant Positions:** Assets Assigned to Vacant Positions must be returned to Leigh Hausman in accordance with the Asset Coordination Procedure.
4. **Emergency Use Assets:** The Vice President’s Office will maintain a limited inventory of laptops designated for divisional emergency use.
5. **Assets in Shared Spaces:** The CBO will conduct a physical inventory of assets designated for shared divisional use, including, but not limited to, projectors located in conference rooms.
6. **Non-Physical Assets:** All non-physical assets (software) will be reviewed and updated on an annual basis.
7. **OBF Internal Tracking:** The CBO will update the internal OBF IT Assets report to reflect current asset details. The following information will be incorporated into the existing spreadsheet format:
 - a. “Remote” designation or specific room/cubicle number
 - b. Shared or non-shared classification.
8. **UTD PeopleSoft Records:** The CBO will send Inventory and Surplus Control an Excel file containing all required updates for entry into PeopleSoft. As PeopleSoft does not track cubicle-level location data, this information will be maintained internally by OBF.

Action Plan Owner(s):

Kat Ross, Finance Operations Coordinator, CBO
 Andrew Grant, Business Administrator, CBO

Due Date:

June 30, 2026

3. Cost Center Reconciliations

Medium Risk: Without timely cost center reconciliations and approvals, there is an increased risk of error and/or fraud occurring and not being detected in a timely manner.

Observation

Cost center reconciliations and approvals are required to be completed by the due dates set by the Office of Budget and Finance after month-end closing. In testing controls over cost center reconciliations and approvals for FY26, we noted 10% of cost centers were reconciled but not approved by the due date. Specific details were discussed with management.

Criteria & Cause

[Cost Center Reconciliation Guidelines](#)



Management is not adequately monitoring the reconciliation and approval process.

Management's Action Plan

The Central Business Office (CBO) will develop and implement an internal AR Approval Notification Process Guide outlining the following recommendations to strengthen compliance and ensure timely account reconciliation approvals:

1. **Notification:** Three to five days business days prior to the approval deadline, the CBO will generate a monthly report identifying reconciled but unapproved cost centers and notify the respective cost center owners of any outstanding approvals.
2. **Immediate Review:** Upon receiving notification, cost center owners are expected to promptly review all listed cost centers and approve any that are pending.
3. **Final Approval Deadline (6th Business Day):** All cost centers must be fully approved no later than the 6th business day of each month.
4. **Compliance Review (6th Business Day at 7:00 p.m.):** Financial Compliance will run a past-due report and document any outstanding approvals.
5. **Escalation (After 7:00 p.m. on the 6th Business Day):** Any past-due approvals will be escalated to CBO leadership and repeat instances of non-compliance will be reported to the Vice President.
6. **Ongoing Responsibility:** Reconciliation opens on the 7th business day of each month and must be completed within approximately 30 days following month-end close (typically the day before the next accounting period opens, though timing may vary). Cost center owners remain ultimately responsible for ensuring timely approvals, even if approval responsibilities have been delegated.

Action Plan Owner(s):

Andrew Grant, Business Administrator, CBO

Due Date:

April 30, 2026

Overall Conclusion

Generally, the Office of the Vice President for Budget and Finance has adequate and effective governance, risk management, and internal controls processes. However, controls over conflicts of interest and conflicts of commitment, asset management, and cost center reconciliations can be improved.



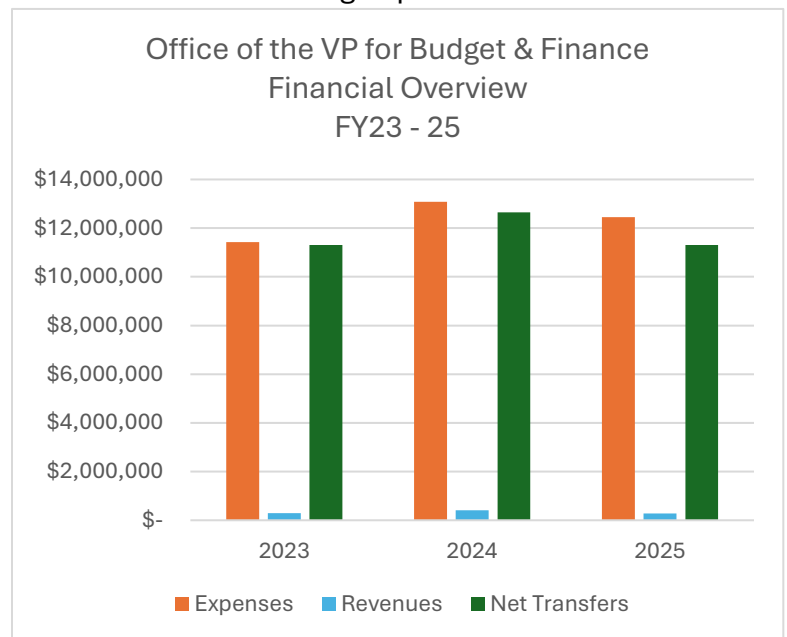
Appendix A: Information Related to the Audit

Background

The Office of Budget and Finance oversees the university’s financial planning, budgeting, and fiscal stewardship. They allocate resources, manage financial operations, and support informed decision-making to ensure a responsible use of funds. Their mission states, “We deliver customer-focused financial and operational solutions in an innovative, engaging culture.”³

The Office of the VP for Budget & Finance Division includes the following departments:

- Office of the Vice President
- Accounting & Financial Reporting
- Budget & Financial Planning
- Bursar Office
- Central Business Office
- Contracts Administration
- Financial Management Services
- Small Business Office
- OBF IT Services
- Payroll & Tax Services
- Purchasing
- Receivables & Sponsored Accounting
- Treasury & Payment Services
- Shared Information Services



During fiscal year 2025, the Office of Budget and Finance had \$12.5 million in expenses, \$273,671 in revenues, and \$11.3 million in net transfers. See the chart above for additional information.⁴

Audit Objective

To assess the adequacy and effectiveness of the Office of the Vice President for Budget and Finance’s governance framework, risk management processes, and internal controls in supporting compliance, safeguarding resources, reliable and accurate information, the effective and efficient use of resources, and achieving strategic and operational objectives.

Scope

The scope of the audit was fiscal year 2025 and 2026, to February 2026. The audit began in November 2025, and the audit concluded on February 20, 2026.

³ <https://finance.utdallas.edu/>

⁴ UTD Reporting Console, Operating Fund Balance and Budget



Methodology

The audit was conducted in conformance with the Institute of Internal Auditors' Global Internal Audit Standards™. Additionally, we conducted the audit in conformance with generally accepted government auditing standards (GAGAS) as applicable. 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 observations and conclusions based on our audit objectives.

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 controls⁵.

Our procedures included interviews, observations of processes, reviews of documentation, and testing. The following table outlines our procedures and observations 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 from the Office of Budget & Finance (OBF) and reviewing selected policies, procedures, and standards.	N/A
Expenses	Tested controls over expenses for authorization, accuracy, operational effectiveness, and compliance with applicable policies and procedures.	N/A
Asset Management	Tested controls over assets for effectiveness of processes, reliability of information, safeguarding, and compliance with applicable policies and procedures.	#2
Additional/Supplemental Pay	Tested for compliance with UTDP1097 – Additional Pay for Employees of UT Dallas.	N/A
Cost Center Reconciliations	Tested controls over cost center reconciliation timeliness, departmental procedures, segregation of duties, and authorization.	#3
Conflict of Interest	Tested compliance with UTD's Conflict of Interest and Commitment policies.	#1

⁵ <http://www.coso.org>



Audit Area	Procedures	Observations Related to the Audit Area
Contract Management	Tested the effectiveness of controls and compliance related to the contract with UT System regarding Shared Services employees.	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.
Not Reportable	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 Office of Budget and Finance 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

Mr. Orkun Toros, Vice President for Budget and Finance

Key Stakeholders and Action Plan Owners

Ms. Rebeka Stafford, Senior Director, Central Business Office (CBO)

Ms. Barbi Matthews, Administrative Assistant

Ms. Kat Ross, Finance Operations Coordinator, CBO

Mr. Andrew Grant, Business Administrator, CBO

External Parties

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

Engagement Team

Project Leader/Manager: Mr. Rob Hopkins, CFE, Audit Manager

Staff Lead: Mr. Brian Seale, Internal Auditor II