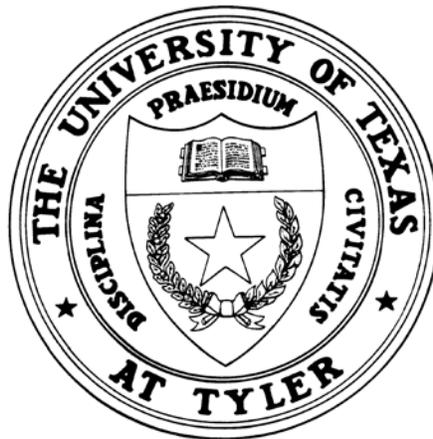


The University of Texas at Tyler

**PeopleSoft Fiscal Year 2017 to Fiscal Year 2018
Balances Forward Audit**



December 2017

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

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PeopleSoft Balances Forward Audit
Fiscal Year 2018

BACKGROUND

The University of Texas at Tyler (UT Tyler) uses the PeopleSoft Financial Management System (FMS) for their accounting system. Certain cost centers are eligible to have the ending fiscal year balances “rolled forward” to begin the next fiscal year. These include most Designated Tuition and Fees cost centers and Auxiliary Enterprises. The Budget and Financial Reporting Office was responsible for the process used to roll forward Fiscal Year (FY) 2017 ending balances to the FY 2018 cost centers. This process is considered a high risk due to the financial impact of the roll-forward process and was included in the FY 2018 Audit Plan as approved by the Institutional Audit Committee.

AUDIT OBJECTIVE

The objective of this audit was to determine if the FY 2017 ending balances are accurately stated in the FY 2018 accounting system.

SCOPE AND METHODOLOGY

The scope of this audit included all cost centers with an ending balance in FY 2017. To accomplish the objective noted above, data analytics was used and the following procedures were conducted:

- Verified with the Budget Office that the roll forward process was the same as last fiscal year.
- Obtained the FY 2017 ending balances in PeopleSoft FMS by cost center.
- Identified cost centers with FY 2017 ending balances that should roll forward to FY 2018 cost centers.
- Verified ending balances were correct by recalculating the amount using the FY 2017 beginning balance, adding revenue, and subtracting expenses, encumbrances, and pre-encumbrances.
- Identified any differences in the FY 2017 ending balances and reviewed these with the Budget and Financial Reporting Office.
- Compared the FY 2017 ending balance to the amount “rolled-forward” as the FY 2018 beginning balance.
- Identified any differences in the roll-forward amounts and reviewed these with the Budget and Financial Reporting Office.

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

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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 one Medium-level Finding.

#1 Unreconciled Cost Center Roll Forward Amounts (Medium)

The FY 2017 ending balance should equal the FY 2018 roll forward beginning balance for those cost centers eligible for roll forward. Following is a summary of the FY 2017 cost centers and the results of the roll forward to FY 2018 at the beginning of the audit:

Description	Cost Centers	%
FY 2017 ending balances that equaled FY 2018 beginning balances	1,529	69%
Cost centers with no FY 2017 balances or activity	593	27%
Cost centers with ending balances that are not eligible for roll forward	77	3%
Cost centers with unreconciled differences in the roll forward amount	7	1%
Total Cost Centers	2,206	100%

Recommendation: The Budget and Financial Reporting Office should identify the differences in the 7 unreconciled cost centers and record correcting entries when the differences are material.

Management Action Completed: 3 of the 7 cost centers balances have been corrected. The unreconciled differences of the remaining 4 cost centers is less than \$1,000 for each cost center and considered immaterial. The Office of Audit Services has verified the information provided by management.

CONCLUSION

The roll forward of FY 2017 balances to FY 2018 was conducted timely in the Fall of 2017. Based on our testing, the PeopleSoft FMS roll forward balances for FY 2018 are correct except as noted.

We appreciate the assistance of the Budget and Financial Reporting Office and commend them on their PeopleSoft roll forward process.