



August 27, 2018

Ms. Kelly Davis  
Chief Financial Officer and Vice President  
219 West Main Street  
Arlington, TX 76019

Dear Ms. Davis,

We have completed our audit of Benefits Proportionality by Fund for The University of Texas at Arlington (UT Arlington), as required by Rider 8, page III-44, of the General Appropriations Act (85th Legislature, Conference Committee Report). The rider requires that the audit examine appropriation years (AY) 2015 through 2017. For all three appropriation years, no errors were noted per review of the revised APS 011 reports submitted.

Based on audit procedures performed, *Benefits Proportionality by Fund Reports* (APS 011) for appropriation years 2015 through 2017, as originally submitted to the State Comptroller on November 19, 2015 (AY 15), November 23 2016 (AY 16) and November 17, 2017 (AY 17); and those revised and resubmitted on December 15, 2015 (AY 15) and February 20, 2018 (AY 17), were materially accurate and no reimbursement is due. The process in place to prepare the annual report is sufficient to ensure benefits funding proportionality is applied according to the guidelines established in Article IX, Section 6.08, of the General Appropriations Act.

Our audit procedures were consistent with the methodology prescribed by the State Auditor's Office to comply with Rider 8, and included review of source information obtained from the internal accounting system and the State's Uniform Statewide Accounting System (USAS), review of the benefits proportionality reporting process, validation of the accuracy of information and proportional funding calculations reported to the State Comptroller on the APS 011 reports, and testing to verify eligibility of employee benefits paid with appropriated funds. Sample size for testing was determined following guidance on internal control testing for compliance from the American Institute for Certified Public Accountants (AICPA). In addition, we relied upon work conducted in previous audits by our office, our external audit firm, and the Texas State Auditor's Office to gain assurance about the reliability of data in the internal accounting system and USAS. The audit was conducted in accordance with the guidelines set forth in The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

**MEMORANDUM:** August 27, 2018  
**SUBJECT:** Benefits Proportionality by Fund Audit  
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We appreciate the courtesy and cooperation we received from the Accounting Services staff throughout this audit.

Sincerely,



Dana Nuber  
Interim Chief Audit Executive, Office of Internal Audit

cc: Dr. Vistasp M. Karbhari, President, UT Arlington  
Dr. Teik Lim, Provost and Vice President for Academic Affairs, UT Arlington  
Mr. John Hall, Vice President for Administration and Campus Operations, UT Arlington  
Ms. Stephanie Scott, Associate Vice President and Controller, UT Arlington  
Ms. Andrea Wright, Executive Director, Accounting Services, UT Arlington  
Dr. Scott Kelley, Executive Vice Chancellor for Business Affairs, UT System  
Mr. Ed Osner, Legislative Budget Board  
Governor's Office of Budget, Planning and Policy  
Internal Audit Coordinator, State Auditor's Office  
Sunset Advisory Commission  
UT System Audit Office