



The University of Texas at El Paso  
Office of Auditing and Consulting Services

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September 10, 2018

Mr. Richard Aauto, Executive Vice President  
The University of Texas at El Paso  
500 W. University Ave.  
El Paso, Texas 79968

Dear Mr. Aauto,

We have completed our audit of Benefits Proportionality by Fund for The University of Texas at El Paso as required by Rider 8, page III-45, of the General Appropriations Act (85<sup>th</sup> Legislature, Conference Committee Report). The rider requires that the audit examine appropriation years (AY) 2015 through 2017. However, an internal audit of the proportionality of higher education benefits for AY 2015 was conducted by the Texas State Auditors's Office during fiscal year 2016. Therefore, the scope of this year's audit included only AY 2016 and 2017.

Based on audit procedures performed, *Benefits Proportionality by Fund Reports (APS 011)* for AY 2016 and AY 2017, as submitted to the State Comptroller, were materially accurate. We did note, however, that the APS 011 report for AY 2016 was revised in March 2017 and required an adjustment of \$402,991.04 for the Group Insurance Program (GIP). These funds were not reimbursed to the State until December 2017.

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. 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*.

Observations:

For AY 2016, some of the USAS document numbers were not included in APS 011 Section II, Column 6, to provide support for the adjustments. These document numbers were provided upon request. This issue does not have an impact on the accuracy of the APS 011.

We wish to thank the Financial Services staff for their assistance and cooperation provided throughout the audit.

Sincerely,



Lori N. Wertz  
Chief Audit Executive

cc: Dr. Diana Natalicio, President, The University of Texas at El Paso  
Mr. Mark McGurk, Vice President for Business Affairs  
Mr. Carlos Martinez, Comptroller  
Ms. Joanne Richardson, Assistant Comptroller  
Mr. Daniel Dominguez, Director of Accounting and Financial Reporting  
Dr. Scott Kelley, Executive Vice Chancellor for Business Affairs, UT System  
UT System Audit Office  
Legislative Budget Board  
Governor's Office of Budget, Planning and Policy  
Internal Audit Coordinator, State Auditor's Office  
Sunset Advisory Commission