

Detailed Observations	Recommendations	Management Action Plans
<ul style="list-style-type: none"> ○ Payroll expenses not reconciled. (2 instances) ○ Revenue not reconciled. (1 instance) ● Reconciliation was approved by someone other than Certifier or Alternate Approver (1 instance) <p>We interviewed the reconcilers and they provided the following concerns:</p> <ul style="list-style-type: none"> ● Trainings included an overview of generating the MFR report and navigating PeopleSoft to complete the monthly reconciliation and semiannual certification. However, the trainings do not provide step by step reconciliation guidance for cost centers/projects. ● Issues with encumbrances posting for payroll related costs - not timely and incorrect. ● Revenue reconciliations are difficult to complete without having the appropriate access or knowledge of the complete revenue process. Guidance is not provided. ● Payroll expenses are difficult to reconcile without payroll information provided. ● Reconciliation reports not understandable for Account Managers. ● Prior period postings without support documentation provided. 		

APPENDIX I

Risk Classifications and Definitions

Priority	High probability of occurrence that would significantly impact UT System and/or UT Rio Grande Valley. Reported to UT System Audit, Compliance, and Risk Management Committee (ACMRC). Priority findings reported to the ACMRC are defined as <i>“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.”</i>
High	Risks are considered substantially undesirable and pose a significant level of exposure to UT Rio Grande Valley operations. Without appropriate controls, the risk will happen on a consistent basis. Immediate action is required by management in order to address the noted concern and reduce exposure to the organization.
Medium	Risks are considered undesirable and could moderately expose UT Rio Grande Valley. Without appropriate controls, the risk will occur some of the time. Action is needed by management in order to address the noted concern and reduce the risk exposure to a more desirable level.
Low	Low probability of various risk factors occurring. Even with no controls, the exposure to UT Rio Grande Valley will be minimal. Action should be taken by management to address the noted concern and reduce risk exposure to the organization.