




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

500 West University Ave
El Paso, Texas 79968
915-747-5191
WWW.UTEP.EDU

DATE: May 28, 2024
TO: Dr. Heather Wilson, President, The University of Texas at El Paso
FROM: Courtney H. Rios, Interim Chief Audit Executive, Office of Auditing and Consulting Services
SUBJECT: 24-110 UTS 142 Monitoring Plan



Background:

Per The University of Texas System Policy 142 (UTS 142) *Financial Accounting and Reporting*, each institution is required to develop and maintain a Monitoring Plan for the segregation of duties and reconciliation of cost centers and project accounts. The goal of the account reconciliation and certification process is to detect any potential errors or misappropriation of funds in a timely manner.

According to The University of Texas at El Paso (UTEP) Cost Center/Project Review Policy in the Handbook of Operating Procedures (HOP), the oversight of the reconciliation process is the responsibility of the Vice President for Business Affairs (VPBA).

Effective Fiscal Year (FY) 2023, all accounts (cost centers and project accounts) are required to be reconciled in SAHARA with adequate support documentation attached. The audit scope includes all FY 2023 financial transactions and certifications.

Audit Objectives and Scope:

The objective of the audit was to assess that the UTEP Monitoring Plan required by UTS 142:

- effectively monitors account reconciliations and sub-certifications performed by account and project owners, and
- provides adequate segregation of duties in the reconciliation process.

The audit scope included financial transactions and certifications for the period of September 1, 2022 to August 31, 2023 (Fiscal Year 2023).

The engagement was conducted in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards*.

Results:

No issues were found. The monitoring of account reconciliations and sub-certifications has improved and appears to meet UTS 142 requirements.

A. Account Reconciliation Monitoring

The VPBA has enhanced its account reconciliation monitoring process in FY 2023 by sharing monthly compliance status reports with UTEP Cabinet Members and Division Heads.

The monitoring team consisted of three UTEP students who reviewed over 800 account reconciliations for the scope period under the supervision of the Director of Accounting and Financial Reporting. The monitoring team also provided reconciliation assistance to departments upon request. The Office of Auditing and Consulting Services (OACS) believes that these efforts will lead to increased completeness of account reconciliations and compliance with UTS 142.

B. Certification Process

The VPBA has updated and documented their Monitoring Plan and certification escalation process, which includes escalation to College Deans, the Provost, and divisional Vice Presidents. OACS believes that the VPBA's escalation process is effective and will decrease the number of noncompliant account owners.

Conclusion:

Based on the results of audit procedures performed, we conclude that the VPBA's account reconciliation monitoring and certification efforts meet UTS 142 requirements. There are no issues to report.

OACS did find compliance issues at the department level which will be communicated separately in writing to the President, VPBA, and Vice President for Research & Innovation and the Provost.

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