

Fiscal Management Division
Expenditure Audit Section
Auditor: Raymond McClintock

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Post Payment Audit of University of Texas at Brownsville



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EXECUTIVE SUMMARY

Audit scope

A sample of the University's payroll and purchase transactions that processed through USAS during the period beginning June 1, 2012, through May 31, 2013, was audited to determine compliance with applicable state laws.

The audited agency or institution of higher education receives appendices with the full report that may include a list of the identified errors and an errors projection to estimate the amount of improperly paid transactions. Copies of the appendices may be requested through a [Public Information Act](#) inquiry.

The audit provides a reasonable basis for the findings set forth in this report. The University should implement the recommendations listed in the Detailed Findings of this report. It is the University's responsibility to seek refunds for all overpayments unless it determines it is not cost effective to do so. If necessary, the Texas Comptroller of Public Accounts (Comptroller's office) may take the actions set forth in Texas Government Code Annotated, Section 403.071(h) (Vernon 2013), to ensure that the University's documents comply in the future. The University must ensure that the findings discussed in this report are resolved.

Texas law requires the Comptroller's office to audit claims submitted for payment through the Comptroller's office. All payment transactions are subject to audit regardless of amount or materiality.

Payroll transactions and payroll deductions

Payroll transactions were audited for compliance with the General Appropriations Act (GAA), [Texas Payroll/Personnel Resource](#) and other pertinent statutes.

The audit identified:

- Non-compliance with a Human Resource Information System (HRIS) reporting requirement.

A limited sample of voluntary contributions was also audited.

The audit identified:

- Missing signed deduction forms.

Purchase transactions

Purchase transactions were audited for compliance with the GAA, [eXpendit](#) and other pertinent statutes.

- No errors were identified.

Fixed assets

The audit included verifying a limited number of fixed assets acquired by the University during the audit period to verify existence and location of the assets.

- All assets tested were in their intended location.

Prior post-payment audit and current audit recurring errors

A prior post payment audit of the University's payroll and purchase transactions was concluded on May 14, 2010.

- No recurring audit issues were identified.

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DETAILED FINDINGS — PAYROLL

Non-Compliance with HRIS Reporting Requirements

Finding

The University is not in compliance with the statutory reporting requirements for institutions of higher education. Payroll information is required to be reported to HRIS by Texas Government Code Annotated, Section 2101.0375. The University was 84.0 percent current in payroll reporting and 69.1 percent current in personnel reporting through July 2013.

The Comptroller's office collects and maintains payroll and personnel information on all state employees. The information is used to report statistics to various legislative and oversight bodies, media and the general public. Institutions of higher education must report personnel and payroll events to HRIS as outlined in 34 Texas Administrative Code, Section 5.41(j)-(l) (2013).

Recommendation/Requirement

The University must ensure that all payroll and personnel transactions are reported to the HRIS in a timely manner:

- Personnel transactions are timely when they are successfully reported to HRIS on or before the seventh day of the month following their effective date.
- Payroll transactions are timely when they are reported and posted by the seventh day of the month following their payment date.

University Response

The University of Texas at Brownsville concurs with this recommendation. HRIS training by the Comptroller's office has been scheduled on our campus next month. This training will allow us to manage the requirement by educating several staff members on the process and using them to fulfill the statutory reporting requirements for personnel and payroll transactions.

Missing Payroll Deduction Forms

Finding

We identified three instances where the required payroll deduction document was missing. The University was unable to provide deduction forms for Credit Union Payments.

Agencies are required to maintain specific documentation to support the legality, propriety and fiscal responsibility of each payment made out of the agency's funds. The Comptroller may require the documentation to be made available during a post-payment audit, a pre-payment audit or at any other time. For information related to payroll deductions See [Voluntary Deductions – Credit Union Deductions](#) in Texas Payroll/Personnel Resource on FMX.

We provided the University with the schedule during fieldwork. It is not included with this report due to confidentiality issues.

Recommendation/Requirement

We recommend the University enhance its internal controls to ensure that it maintains the proper documents required to support employee payroll deductions.

University Response

The University of Texas at Brownsville concurs with the recommendation. Internal controls will be reviewed and a 100 percent audit of employee files will be conducted to ensure proper documents are maintained to support employee payroll deductions. Reviews of 100 percent of all documents will occur at least once a year and a validation process has been added for monthly review of transactions and the respective supporting documents.