

Fiscal Management Division
Expenditure Audit Section
Auditor: Valerie D. Davis

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Post-Payment Audit of Texas A&M Transportation Institute



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EXECUTIVE SUMMARY

Audit scope

A sample of the Texas A&M Transportation Institute (TTI) payroll, purchase and travel 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 the attached report. It is TTI'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, Section 403.071(h) (Vernon 2013), to ensure that TTI's documents comply in the future. TTI 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:

- One employee with an incorrect state effective service date in TTI's internal payroll/personnel system. This resulted in TTI paying the employee increments of \$20 for longevity one month too soon.

Purchase transactions

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

- No issues were identified.

Travel transactions

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

- No issues were identified.

Internal control structure

TTI's internal control structure was reviewed. The review was limited to obtaining an understanding of TTI's controls sufficient to plan the audit and did not include tests of control policies and procedures.

- No issues were identified.

Direct deposit authorization forms

A review was conducted of TTI's procedures to comply with the federal mandate to properly identify and handle payments involving the movement of funds internationally.

The review identified:

- An outdated version of the direct deposit setup form was used for eight employees. These eight setup forms did not adhere to the National Automated Clearing House Association rules requiring the identification of a direct payment if it is an International Automated Clearing House Transaction.

Prior post-payment audit and current audit recurring errors

We concluded a prior post-payment audit of TTI's payroll, purchase and travel transactions on Aug. 3, 2009.

During the current audit, one recurring error was identified:

- Incorrect state effective service date and incorrect longevity amount.

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