

Fiscal Management Division  
Expenditure Audit Section  
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# Post-Payment Audit of the Texas Real Estate Commission



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# EXECUTIVE SUMMARY

## Audit scope

We audited a sample of the Texas Real Estate Commission (Commission) payroll, purchase and travel transactions that processed through the Uniform Statewide Accounting System (USAS) and the Uniform Statewide Payroll/Personnel System (USPS) during the period beginning Sept. 1, 2013, through Aug. 31, 2014, to determine compliance with applicable state laws.

## Payroll transactions and deductions

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

- No issues were identified.

A limited sample of the Commission's voluntary contributions was audited.

- No issues were identified.

*Texas law requires the Texas Comptroller of Public Accounts (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.*

## Purchase transactions

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

- No issues were identified.

## Travel transactions

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

- No issues were identified.

## Security

The audit included a security review to identify any of the Commission's employees with security in USAS, USPS or on the voucher signature cards, who were no longer employed or whose security had been revoked. Upon termination or revocation, certain deadlines must be observed so that security can be revoked in a timely manner.

- No issues were identified.

## Internal control structure

As part of our planning process for the post-payment audit, we reviewed certain limitations that the Commission placed on its accounting staff members' abilities to process expenditures. We reviewed the Commission's security in USAS, USPS, the Texas Identification Number System (TINS) and voucher signature cards that were in effect on Nov. 7, 2014.

The audit identified:

- Two employees who could process and release payments between the agency's internal system and USAS without oversight.
- Two employees who could process and release payments through USAS.

The Commission stated that they will continue to make every effort to ensure one individual does not process payments without oversight. According to the Commission, the Staff and Support Services Division has an internal policy that does not allow one employee to process and release payments.

Furthermore, the Commission stated that, as an additional safety measure, the Staff and Support Services Division runs the Risky Document Report (DAFR9840) daily, which is reviewed by the director of Staff and Support Services and the chief accountant to ensure one employee has not processed and released payments.

## Fixed assets

The audit included a limited review of fixed assets acquired by the Commission during the audit period to test for accurate reporting in the State Property Accounting (SPA) System and to verify existence of the assets.

All assets tested were in their intended location and properly recorded in SPA.

## Prior post-payment audit and current audit recurring errors

A prior post-payment audit of the Commission's payroll, purchase and travel transactions was concluded on July 27, 2011.

During the current audit, one recurring error was identified:

- Control weakness over expenditure processing.

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