

Fiscal Management Division
Statewide Fiscal Services Dept.
Expenditure Audit Section
Auditor: Raymond McClintock

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Post-Payment Audit of the Texas A&M Agrilife Extension Service



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EXECUTIVE SUMMARY

Audit scope

We audited a sample of the Texas A&M Agrilife Extension Service (Service) payroll, purchase and travel transactions that processed through the Uniform Statewide Accounting System (USAS) during the period beginning Dec. 1, 2015, through Nov. 30, 2016, to determine compliance with applicable state laws.

The Service receives appendices with the full report that includes a list of the identified errors. 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 Service should implement the recommendations listed in the Detailed Findings of this report. It is the Service's responsibility to seek refunds for all overpayments unless it determines it is not cost effective to do so. If necessary, the Comptroller's office may take the actions set forth in Texas Government Code, Section 403.071(h), to ensure that the Service's documents comply in the future. The Service must ensure that the findings discussed in this report are resolved.

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.

Payroll transactions and payroll deductions

One hundred and twenty 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 voluntary contributions was also audited.

- No issues were identified.

Purchase and payment card transactions

Fifty purchase transactions were audited for compliance with the GAA, [eXpendit](#), the [State of Texas Procurement and Contract Management Guide](#) and other pertinent statutes.

- No issues were identified.

Travel transactions

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

- No issues were identified.

Internal control structure

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

The audit identified:

- Two employees could pick up warrants from the Comptroller's office and approve paper vouchers.

Fixed assets

The audit included a limited number of fixed assets acquired by the Service during the audit period. Their physical existence and use for state business was verified. All assets tested were in their intended locations.

- No issues were identified.

Prior post-payment audit and current audit recurring findings

A prior post-payment audit of the Service's payroll, purchase and travel transactions was concluded on Feb. 4, 2013. No recurring errors were noted.

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DETAILED FINDINGS — INTERNAL CONTROLS

Control Weakness Over Expenditure Processing

Finding

As part of our planning process for the post-payment audit, we reviewed certain limitations that the Service placed on its accounting staff's ability to process expenditures. We reviewed the Service's security in Uniform Statewide Accounting System (USAS) and Texas Identification Number System (TINS) and its voucher signature cards that were in effect on April 6, 2017. We did not review or test any internal or compensating controls the Service may have relating to USAS, HRIS or TINS security or internal transaction approvals.

Two employees could pick up warrants from the Comptroller's office and approve paper vouchers.

Recommendation/Requirement

To reduce risks to state funds, agencies must have controls over expenditure processing that segregate each task to the greatest extent possible. Ideally, no individual should be able to process transactions without another person's involvement.

The Service must limit user access by removing the user from the Agency Authorization for Warrant Pickup list or by removing the user from the Service's and signature card.

Service Response

The individuals in question have been removed from the Agency Authorization for Warrant Pickup list. Warrant pick up is now only allowed by individuals who do not have signature authority.