

The Texas A&M University System Internal Audit Department



Monthly Audit Report
April 15, 2020

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The Texas A&M University System

Available University Fund Reporting



Overall Conclusion

Internal controls and processes for Available University Fund (AUF) reporting at The Texas A&M University System are operating as intended and in compliance with applicable laws and policies.

The Texas A&M University System reported \$364 million in total AUF transfers in fiscal year 2019. This included transfers of \$121.5 million for Permanent University Fund debt service, \$4.5 million for Revenue Financing System Note debt service, \$173 million to Texas A&M University, \$27 million to Prairie View A&M University, and \$38 million to the Texas A&M University System Offices.

Basis of Audit

Objective and Scope

The objective of this audit was to determine whether A&M System Available University Fund reporting is accurate and in compliance with state General Appropriations Act requirements. The audit focused on the requirements of the General Appropriations Act for the 2020-2021 Biennium, 86th Texas Legislature as follows:

- AUF Rider 5
- AUF Rider 6
- AUF Rider 7

The audit period was primarily September 1, 2017 to August 31, 2019. Fieldwork was conducted from January 2020 to February 2020.

Methodology

Our audit methodology included observation of processes, review of documentation, and testing of data using sampling as follows:

- To determine whether financial reports were accurate, auditors used professional judgment to select a sample of AUF and institutional fund report amounts to agree to supporting documentation.

- To determine whether voucher transactions were accurately recorded and reasonable, auditors used professional judgment to select a nonstatistical sample of 30 A&M System Office voucher transactions.
- To determine if financial reports were in compliance with the requirements of the State of Texas General Appropriations Act auditors reviewed financial reports completed for Rider #5 and Rider #6 for all required items.

Criteria

Our audit was based upon standards as set forth in the following:

- Texas A&M University System Policies and Regulations
- Texas A&M University System Office of Budgets and Accounting Procedures
- State of Texas General Appropriations Act
- Other sound administrative practices

The audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted the audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The Office of Internal Audit is independent per the GAGAS standards for internal auditors.

Audit Team

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Distribution List

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