

MEMORANDUM

TO: C. Aaron LeMay, CPA, JD, MSED, Interim Chief Finance and Business Officer

FROM: Desolyn Foy, CPA, CIA, MHA, Vice President and Chief Audit Executive

CC: Ben G. Raimer, MD, MA, FAAP, President, UTMB Health
J. Michael Peppers, CPA, CIA, QIAL, CRMA, Chief Audit Executive, UT System
Veronica Hinojosa Segura, Associate Vice Chancellor & Controller, UT System

DATE: March 25, 2022

RE: Benefits Proportionality by Fund Audit, 2022-020

We have completed our audit of Benefits Proportionality by Fund for The University of Texas Medical Branch at Galveston (UTMB Health), as required by Rider 8 of the General Appropriations Act (87th Legislature). The Rider requires this audit examine appropriation years 2019 through 2021 and states that a copy of this report must be submitted to the Legislative Budget Board, the Comptroller of Public Accounts, and the State Auditor's Office by August 31, 2022.

We audited fiscal year 2019 data in our prior Benefits Proportionality audit completed in July 2020, reporting it appeared materially accurate and no reimbursement was due. Audit procedures have been performed this year for fiscal years 2020 and 2021. We found the *Benefits Proportionality by Fund Report (APS 011)*, as submitted to the State Comptroller, appeared materially accurate with no reimbursement due.

Our audit procedures were consistent with the methodology prescribed by the State Auditor's Office and included a review of source information obtained from our internal accounting system and the Uniform Statewide Accounting System (USAS), the benefits proportionality reporting process, and APS 011 information and proportional funding calculations for accuracy. Our procedures also included a review of the full population of departments paid and a sample of employee job titles to verify eligibility of employee benefits paid with appropriated funds.

We greatly appreciate the assistance provided by the Office of Finance during this engagement.

The engagement was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* as promulgated by the Institute of Internal Auditors.

Sincerely,

Desolyn Foy
Vice President and Chief Audit Executive