



Claims Post-Payment Audit Report Summary

Prairie View A &M University

Fiscal 2005 Third Quarter

We audited a sample of payroll, purchase, travel, grant, and library book transactions that processed through USAS as well as travel transactions paid from appropriated funds held locally during the period beginning May 1, 2003, through April 30, 2004.

Overall Conclusion

Our audit of Prairie View A&M University (University) revealed the following:

- Travel transactions paid from appropriated funds held locally yielded a payment error rate of 2.73% and one transaction lacked sufficient supporting documentation.
- The University received a duplicate reimbursement of \$10,466.98. At the time of the audit \$1,381.44 of that amount remained due to the state treasury.
- One employee retained the ability to expend funds after termination.
- Minimal payment and documentation errors from the review of the payroll, purchase, and travel transactions paid from appropriated funds held in the state treasury.
- No errors were projected in the sampled library book and grant transactions.
- Projected payment errors totaled \$5,483.05 out of the population base of \$52,768,062.62.

The Comptroller of Public Accounts is required by law to properly audit all claims submitted for payment through the Comptroller. Therefore, all payment transactions are subject to audit regardless of amount or materiality.

Prior Audit Findings

We concluded a prior post-payment audit of the University's payroll, purchase, travel, and grant payment transactions on June 22, 2001. Travel transactions paid from appropriated funds held locally were not included in the prior audit. There were no projections for payroll, library book, and grant transactions in that audit. One prior audit finding related to employees retaining the ability to expend funds after termination was also identified in the current audit.

Expanded Summary of Findings

Payroll

The audit team reviewed payroll transactions for compliance with the General Appropriations Act, the *Payroll Policies and Procedures Guide*, and other pertinent authorities. We identified an overpayment of time worked by a student employee.

Purchase

In our review of the purchase transactions, we identified one voucher that was missing documentation of the original purchase agreement and another where the discount that was offered by the vendor was not taken. The University also paid telecommunication taxes that it is exempt from paying.

Duplicate Reimbursement

The University received a duplicate reimbursement from USAS for one expense. While this was caught internally by the University through reconciliation prior to our audit and had been partially credited back to the state treasury, \$1,381.44 of the \$10,466.98 amount had yet to be credited back to the state treasury at the time of audit fieldwork.

Prompt Pay/Scheduling

We reviewed the University's compliance with the provisions of the prompt payment and scheduling laws and found no significant issues related to scheduling. During the audit period, the University paid \$3,389.78 in late payment interest to vendors from its treasury funds. The scope of this audit did not include a test of compliance with the prompt payment law for payments made from local funds. Therefore, we do not offer an opinion on the timeliness of those payments.

Travel

In our review of the travel expenditures paid from appropriated funds held locally, we found numerous instances of excess reimbursement of the mileage rate as well as meals and lodging. Also found was a reimbursement for excess car rental rates and reimbursement for a lodging receipt that was not in the employee's name. In addition, we were unable to substantiate the reimbursement for meals and car rental expenses on one travel voucher.

In our audit of the University's travel expenditures paid from appropriated funds held in the state treasury, we found one reimbursement for excess hotel taxes. Another travel voucher did not have sufficient documentation to support payment of a lodging expense.

Grants

Our audit included a limited review of the University's transactions relating to grants. This review consisted of verifying that the payments made did not exceed the amounts authorized. We did not identify any errors in the payments reviewed. The review of these payments did not include an investigation of the University's procedures for awarding the grants or monitoring payments made to grantees; therefore we are not offering an opinion on those procedures.

Library Books

We also examined twelve library book transactions. We found a freight charge that was more than the amount agreed to on the purchase order.

Security

We also reviewed the University's voucher signature cards and electronic approval security that were effective during the audit period. Specifically, we reviewed lists of employees designated to approve expenditures effective during the audit period and all related correspondence, as well as the employees' USAS security to execute electronic approvals for the University. The University failed to ensure that the Comptroller was notified in a timely manner about the termination of one employee who was on the University's signature cards.

SPA Review

We selected a limited number of fixed assets that were acquired by expenditures during our audit period. These assets were to be verified as to location and custody assignment. We were able to locate all assets and all were properly recorded in SPA.