PROJECT SUMMARY

The Division of Finance at Texas A&M University has processes in place to provide reasonable assurance that voucher payments for goods and services purchased are in compliance with laws and policies. Procedures are in place for reviewing and monitoring voucher payments for compliance with payment requirements including proper supporting documentation and departmental approvals. Implementation of the AggieBuy system has streamlined much of the University’s payment process and has improved the accuracy and timeliness of voucher payments.

BASIS OF REVIEW

Objective and Scope

The review of accounts payable at Texas A&M University focused on the timely and accurate processing of voucher transactions in compliance with laws and policies. This included testing of vouchers and supporting documentation as well as various data analysis of voucher transactions excluding those for construction, travel, and certain other non-standard purchases such as those made with procurement cards. The audit period focused primarily on activities from July 1, 2011 to June 30, 2012. Fieldwork was conducted primarily from August to October, 2012.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System, Texas Government Code Chapter 2251 "Payment for Goods and Services", Texas A&M University Rules, Department of Accounts Payable procedures, and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance audit in accordance with generally accepted government auditing standards. 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.

Background

The mission of the Accounts Payable Department within the Division of Finance is to serve the State of Texas, Texas A&M University, Texas A&M University at Galveston, and the Texas A&M University System Offices by processing payments to vendors in a prompt and efficient manner while ensuring compliance with laws, policies, rules and regulations. The Accounts Payable Department strives to provide prompt customer service and on-going education of policies and procedures to the University community and vendors.

The Accounts Payable Department processed over 300,000 vendor payments totaling $1.6 billion for Texas A&M University and the Texas A&M University System Offices during the period July 1, 2011 to June 30, 2012. This included payments for goods and services purchased, construction, travel, and other non-standard purchases such as those made using a procurement card.

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