

The University of Texas at San Antonio

# UTSA Auditing & Consulting Services

Employee Benefits Proportionality  
(Fiscal Years 2018 and 2019)  
Project # 2020-24  
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This engagement was conducted in accordance with The Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and with Government Auditing Standards.

**Objectives:**

Ensure that proportional employee benefits by fund are accurately calculated and applied according to the established guidelines set forth in Article IX Section 6.08 of the General Appropriations Act for fiscal years 2018 and 2019.

**Conclusion:**

The Benefits Proportionality by Fund Reports (APS011) for fiscal years 2018 and 2019 as submitted to the State Comptroller were materially accurate. The process in place to prepare the annual report was sufficient to ensure benefits funding proportionality was applied according to the guidelines established in Article IX, Section 6.08 of the General Appropriations Act. One minor error was noted in the reporting of Teacher Retirement System (TRS) proportionality for fiscal year 2019. The Director of Accounting will submit the revised APS011 form to the State Comptroller’s Office to determine if reimbursements are due to any State agencies. The error had no effect on employee TRS contributions.

**Background**

The General Appropriations Act required each higher education institution to conduct an internal audit of benefits proportional by fund using a methodology approved by the State Auditor’s Office. Employee Benefits include employer contributions for:

- Old Age and Survivors Insurance (OASI - Social Security and Medicare)
- Group Insurance Premiums (GIP - employee fringe benefits)
- Teacher Retirement System (TRS)
- Optional Retirement Program(ORP)

Under the proportionality requirements, higher education institutions are prohibited from utilizing a disproportionate amount of funds from State Appropriations to cover employee benefits as compared to the portion of State Appropriations used to cover employee earnings. The UTSA Accounting Office utilizes the State Comptroller’s Office provided APS 011 Form at the end of the fiscal year to calculate an estimate of total proportionality benefits funded from State Appropriations compared to actual State Appropriations used. The difference is either paid back to the State or requested as a refund.

**Scope and Methodology**

Our audit procedures were consistent with the methodology prescribed by the State Auditor’s Office to comply with the General Appropriations Act and included:

- Reviewing source information obtained from the internal accounting system and the State’s Uniform Statewide Accounting System,
- Reviewing the benefits proportionality reporting process,
- Validating the accuracy of information and proportional funding calculations reported to the State Comptroller on the APS 011, and
- Testing to verify eligibility of employee benefits paid with appropriated funds.