

February 11, 2022

Michael Keneker
Vice President, Finance and Chief Accounting Officer
1515 Holcombe Blvd.
Unit 1694
Houston, TX 77030

Dear Mr. Keneker,

We have completed our audit of Benefits Proportionality by Fund for The University of Texas MD Anderson Cancer Center for fiscal years (AY) 2020 and 2021, as required by Rider 8, page III-46, of the General Appropriations Act (87th Legislature, Conference Committee Report).

Based on audit procedures performed, the *Benefits Proportionality by Fund Report* (APS 011) for AY 2020 and 2021, as submitted to the State Comptroller, **is materially accurate**. Also, the process in place to prepare the annual report is sufficient to ensure benefits funding proportionality is applied according to the guidelines established in Article IX, Section 6.08, of the General Appropriations Act.

For audit methodology, please refer to **Appendix A**.

The courtesy and cooperation extended by the Division of Finance was sincerely appreciated.



Sherri Magnus, CPA, CIA, CFE, CRMA, CHIAP
Vice President & Chief Audit Officer

cc: Omer Sultan, Senior Vice President and Chief Financial Officer, MD Anderson Cancer Center
Juan Castro, Vice President of Finance, MD Anderson Cancer Center
Tomas Guajardo, Associate Vice President, State and System Rep., MD Anderson Cancer Center
Christy Harrison, Associate Vice President and Controller, MD Anderson Cancer Center
Veronica Hinojosa-Segura, Associate Vice Chancellor and Controller, UT System
J. Michael Peppers, Chief Audit Executive, UT System

APPENDIX A - Audit Methodology

Our audit procedures were consistent with the methodology prescribed by the State Auditor's Office to comply with Article III, and included the following:

- A review of source information obtained from the internal accounting system and the State's Uniform Statewide Accounting System (USAS)
- A review of the benefits proportionality reporting process
- Validation of the accuracy of information and proportional funding calculations reported to the State Comptroller on the APS 011 reports
- Testing to verify eligibility of employee benefits paid with appropriated funds

The sample size for testing was determined following guidance on internal controls testing for compliance from the American Institute of Certified Public Accountants (AICPA). We relied upon work conducted in previous audits by our office, our external audit firm, and the Texas State Auditor's Office to gain assurance about the reliability of data in the internal accounting system and USAS. The audit was conducted in accordance with the guidelines set forth in The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. The internal audit function at MD Anderson Cancer Center is independent per the *Generally Accepted Government Auditing Standards (GAGAS)* requirements for internal auditors.