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February 22, 2019

Beverly Rymer
Executive Director Contracts and Grants
Division of Research
University of Houston
316 E. Cullen Building Houston, TX 77204-2015

Ms. Rymer,

As stated in the engagement letter dated February 20, 2019, the National Science Foundation (NSF) Office of Inspector General (OIG) has contracted with Cotton & Company LLP (C&C) to conduct an audit of NSF awards issued to the University of Houston (UH). C&C will begin this engagement by assessing UH's award management environment with the objective of evaluating risks and determining whether additional audit work is warranted. Specifically, this engagement will include an examination of expenditures filed with NSF through its Award Cash Management Service (ACMS) during the three year period, February 1, 2016 through January 31, 2019. Based on the results of this assessment, we may perform additional audit work including a cost audit, an accounting system audit, an internal controls audit, or some other type of performance audit to address the risks identified.

To begin this engagement we are requesting detailed information from UH's accounting and/or other systems used to compile all costs claimed and reconciled to the ACMS payment requests made during this time period for all NSF grants. Because of the volume of data, we will begin by requesting an extract of detailed accounting system and subsystem data for a three month period, November 1, 2018 to January 31, 2019. Please note that this is an initial data request and that we will be requesting additional data for the entire audit period that will likely expand beyond the files requested below.

Please provide the following by March 15, 2019:

1. Download of General Ledger, Subledger, Modules and/or Subsystems (ex: A/P, Payroll) detail for all current period costs **claimed** on UH's payment requests filed with NSF for the period November 1, 2018 to January 31, 2019.
2. Reconciliation of the General Ledger data provided in Item #1 to the ACMS requests filed with NSF during the period November 1, 2017 to January 31, 2018.
3. Reconciliation of the subsystem data provided in Item #1 to the General Ledger.
4. Control/Hash totals for all files provided.¹

¹Control/hash totals include a record count and sum of numbers that allows us to ensure that we have correctly imported the data into our system.

5. A data dictionary containing the record layout for each field.²
6. Crosswalk of NSF Award Identification Numbers to UH records, including a listing of all federally funded projects with account numbers and the type of project (research, training, instruction, etc...).
7. Crosswalk of UH expenditure accounts to NSF budget categories, including salaries, equipment, participant support, subawards, etc.
8. Detailed query parameters and methodology used to extract all data provided.
9. System architecture, data models, data dictionaries, database schema, and data flowcharts describing the financial system structure and interaction of the University's financial systems and subsystems (see Attachment).
10. Name and contact information of a database manager or an individual in your Information Technology division or data warehouse whom we can contact directly to discuss our preferred file format and coordinate a suitable timeframe and transmission method for all data submissions.
11. Facilities and Administration (F&A) Rate Agreement(s).
12. Chart of accounts including descriptions of cost categories and identification of any specific accounts for accumulating unallowable federal grant costs.
13. UH and/or University policies and procedures for administrative and financial management of federal grant funds, including accounting manuals, labor effort reporting, cost share, cost transfers, travel, procurement, property management, subawards, consultants, indirect costs, and ACMS\$ preparation.

All information is requested pursuant to Section 200.333, *Retention requirements for records*, and Section 200.336, *Access to records*, of 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, which details the requirements for retention and access to financial records, supporting documents, statistical records, and other records pertinent to Federal awards. The subject provision also requires that you provide access to these records to all authorized OIG representatives. Your timely cooperation in providing appropriate access to requested records and personnel is appreciated.

If you have any questions regarding this audit or data request, please contact me at 703.836.6701 (Mikeg@cottoncpa.com) or Megan Mesko, Partner, (Mmesko@cottoncpa.com).

Sincerely,

COTTON & COMPANY LLP



Michael W. Gillespie, CPA, CFE
Partner

² A record layout generally includes the field name, field length, data type, and field description for each field in an information system