

UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM

SECTION: Fiscal Affairs

NUMBER: 03.G.05

AREA: General Accounting

SUBJECT: Requirement for Utility Bill Audits

1. PURPOSE

The purpose of this administrative memorandum is to establish the policy for utility bill audits as required by [Texas Government Code, Chapter 2112.001](#).

2. POLICY

2.1. Every four years, an audit of each component university of the University of Houston System's electric, telephone, gas and water utility billings during the preceding four years, or the maximum recovery period, must be performed.

2.2. The System Senior Associate Vice Chancellor for Finance (or designee) will represent all component universities in meeting the requirements of the audit, including the engagement of the audit firm and the recovery of any refunds. The audit must provide information to ensure that the amounts paid for service are proper.

2.3. Prior to conducting the audit, the Senior Associate Vice Chancellor for Finance (or designee) shall analyze the potential benefit of the audit for all component universities. An audit shall not be performed if the Senior Associate Vice Chancellor for Finance (or designee) determines that the savings and refunds provided by an audit will not exceed its cost.

2.4. The audit must be funded from refunds received as a result of the audit. The Senior Associate Vice Chancellor for Finance (or designee) shall take appropriate action to recover any refund due. The amount of any refunds received shall be deposited in the state treasury to the credit of the general revenue fund, in accordance with [Texas Government Code, Chapter 2112.004](#). Fees for the audit will be paid from amounts appropriated from those funds for that purpose.

3. REVIEW AND RESPONSIBILITIES

Responsible Party: Senior Associate Vice Chancellor for Finance

Review: Every three years on or before December 1

4. APPROVAL

Approved: Jim McShan
Senior Vice Chancellor for Administration and Finance

Renu Khator
Chancellor

Date: June 12, 2018

REVISION LOG

Revision Number	Approved Date	Description of Changes
1	06/08/1994	Initial version
2	02/28/2007	Applied revised SAM template. Changed the statute to be Texas Government Code Chapter 2112. The System Associate Vice Chancellor for Finance received increased responsibilities, replacing the UHS Controller. Reports will be submitted to the Legislative Budget Board and Comptroller. Review period changed from even numbered years before December 1 to every three years before December 1
3	05/25/2011	Applied revised SAM template and added new Revision Log. Section 2.4 was revised to indicate that refunds will be deposited at the cost center that incurred the associated expense. Provided web link for Texas Government Code Chapter 2112
4	06/12/2018	Updated links and titles as applicable. Removed Sections 2.5 and 2.6 on reporting the audit status and the savings resulting from the audit to the Legislative Budget Board and Comptroller, since no statutory requirements exist for these activities. Removed Section 5, Indexing Terms