



DEPARTMENT OF THE NAVY
OFFICE OF NAVAL RESEARCH
SAN DIEGO REGIONAL OFFICE
140 SYLVESTER ROAD
BUILDING 140, ROOM 218
SAN DIEGO CA 92106-5490

4330 IN REPLY REFER TO:
BD246/TE
September 24, 2018

Mr. Terance Flowers
Audit Liaison, Accounting and Financial Management Department
The University of Texas at Austin
PO Box 7159, Campus Mail Code: K5300
Austin, TX 78713

Dear Mr. Flowers,

The Office of Naval Research, San Diego has performed a limited Property Control System Analysis (PCSA) of the University of Texas at Austin's property control system. The PCSA, conducted on 09/24/2018, was performed in accordance with FAR and OMB requirements and within the guidance provided by the Engineering and Systems Review Branch, Office of Naval Research.

The objective of the PCSA was to ascertain the ability of The University of Texas at Austin's property control system to protect, preserve, account for and control Government-owned property in their custody. The PCSA included various tests and analyses of the institution's internal management controls for property management, inventory procedures, reports, disposition activities and other areas as deemed necessary to perform the PCSA.

An A-133 audit was recently conducted which addressed the institution's overall property control system.

The University of Texas at Austin's Property policies and procedures have been reviewed for completeness and have been found to be acceptable.

The University of Texas at Austin recently performed a physical inventory. The inventory was performed in accordance with their approved policies and procedures. There were no deficiencies identified during the physical inventory.

For the last property reporting period The University of Texas at Austin submitted all Annual Property Reports in a timely manner. The reports that were submitted for this period contained accurate information.

The University of Texas at Austin has routinely requested disposition instructions within a reasonable timeframe after the property is no longer needed for its assigned project.

During the previous year, The University of Texas at Austin submitted their required final property reports in a timely manner.

Based upon the results of this PCSA and in the judgment of the Property Administrator, the property control system at the University of Texas at Austin is compliant to protect, preserve, account for and control Government owned property.

Thank you for your assistance in this matter. If you have any questions, please contact me at (619) 221-5488.

Sincerely,

A handwritten signature in black ink that reads "Tony Egidi".

TONY EGIDI
Property Administrator