Financial Certification Process

- UH-Clear Lake, UH-Downtown, and UH-Victoria Chief Accounting Officers, Chief Financial Officers, and Presidents certified that the financial reports for their campus are true and correct to the best of their knowledge.

- University of Houston and UH System Administration administrators and unit heads representing 143 departments completed the FY11 Department Fraud Risk Survey, which included questions about verifying cost center transactions, reporting instances of fraud and non-compliance, and other internal controls. According to the survey results, internal controls are adequate to ensure that the financial transactions created for FY11 by UH/UHSA departments are true and correct.

- Mike Glisson (Controller), David Ellis (Executive Director of Financial Reporting), Tom Ehardt (Associate VC/VP of Finance), Carl Carlucci (Executive VC/VP of Administration and Finance), and Renu Khator (Chancellor/President) signed the Certification Letter for UH, UHSA, and UH System Consolidated based on:
  o Department surveys, which indicate internal controls are adequate within UH and UHSA departments to ensure correct financial transactions.
  o Certifications signed by UHCL, UHD, and UHV representatives.
  o Their knowledge and review of the FY11 Annual Financial Report for UH, UHSA, and UH System Consolidated.

- The certification letters are presented at the February Board of Regents meeting.
University of Houston, UH System Administration, and UH System Certification Letter

December 5, 2011

Ms. Nandita V. Berry
Chair, Audit and Compliance Committee
UH System Board of Regents
128 E. Cullen
Houston, TX 77204-6001

Pursuant to the UH System Board of Regents Audit Committee Charter and Checklist, the following representations are presented in connection with the preparation of financial statements and footnote information for the University of Houston, UH System Administration, and UH System as a whole for the period ended August 31, 2011.

Management Representations Related to Financial Statements

I have reviewed the financial statements of the University of Houston, UH System Administration, and UH System as a whole and I confirm, to the best of my knowledge and belief, the following representations made to you relating to the preparation of these financial statements and footnote information.

1. To the best of my knowledge, the financial statements and footnote information are fairly presented in conformity with generally accepted accounting principles except where the State Comptroller’s reporting requirements have instructed us to deviate.

2. University management is responsible for compliance with the state and federal laws and regulations, the State Comptroller’s reporting requirements, and the University of Houston System reporting guidelines communicated by the Office of the Executive Vice Chancellor for Administration and Finance or designee.

3. University management is responsible for establishing and maintaining internal controls over financial reporting. Internal Control is a process, effected by the Board of Regents, administration and management, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: effectiveness and efficiency of operations; reliability of financial reporting; and compliance with applicable laws and regulations.

4. To the best of my knowledge, all significant deficiencies in the design or operation of internal controls over financial reporting which could adversely affect UH System’s ability to record, process, summarize, and report financial data and any material weaknesses in internal controls that have been identified for UH System have been appropriately reported and addressed.
5. To the best of my knowledge, there have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices other than those reported to the Office of the Executive Vice Chancellor for Administration and Finance in writing (if any).

6. To the best of my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

7. To the best of my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the University of Houston, UH System Administration, and UH System consolidated of, and for, the periods presented in this report. (Materiality is defined as a ±5% or greater error on revenues, expenses, assets, liabilities, or net assets.)

8. To the best of my knowledge, there are no unasserted claims or assessments that the Office of General Counsel has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, Accounting for Contingencies other than those reported to the Office of the Executive Vice Chancellor for Administration and Finance in writing (if any).

9. To the best of my knowledge, there has been no –

   a. Fraud, whether or not material, involving management or employees who have significant roles in internal control, that has not been appropriately reported and addressed; or

   b. Fraud involving others that could have a material effect on the financial statements other than those reported to the Office of the Executive Vice Chancellor for Administration and Finance in writing (if any).

10. To the best of my knowledge, from August 31, 2011 through the date of this letter, there have been no subsequent events that have had or may have a material effect on the financial position or the revenues, expenses, and other changes in net assets as shown in the aforementioned financial statements.

   [Signatures and dates]

   Mr. Mike Glisson
   Controller, University of Houston
   12-5-11

   Mr. David Ellis
   Executive Director of Financial Reporting, University of Houston
   12-5-11
Mr. Tom Ehardt
Associate Vice Chancellor of Finance,
UH System
Associate Vice President of Finance,
University of Houston
12/7/2011
Date

Dr. Carl Carlucci
Executive Vice Chancellor of
Administration & Finance, UH System
Executive Vice President of
Administration & Finance, University
of Houston
12/8/2011
Date

Dr. Renu Khator
Chancellor, UH System
President, University of Houston
12/9/2011
Date
UH-Clear Lake Certification Letter

November 17, 2011

Ms. Nandita V. Berry
Chair, Audit and Compliance Committee
UH System Board of Regents
128 E. Cullen
Houston, TX 77204-6001

Pursuant to the UH System Board of Regents Audit Committee Charter and Checklist, the following representations are presented in connection with the preparation of UH-Clear Lake financial statements and footnote information for the period ended August 31, 2011.

Management Representations Related to Financial Statements

I have reviewed the financial statements of UH-Clear Lake and I confirm, to the best of my knowledge and belief, the following representations made to you relating to the preparation of UH-Clear Lake financial statements and footnote information.

1. To the best of my knowledge, the financial statements and footnote information are fairly presented in conformity with generally accepted accounting principles except where the State Comptroller's reporting requirements have instructed us to deviate.

2. University management is responsible for compliance with the state and federal laws and regulations, the State Comptroller's reporting requirements, and the University of Houston System reporting guidelines communicated by the Office of the Executive Vice Chancellor for Administration and Finance or designee.

3. University management is responsible for establishing and maintaining internal controls over financial reporting. Internal Control is a process, effected by the Board of Regents, administration and management, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: effectiveness and efficiency of operations; reliability of financial reporting; and compliance with applicable laws and regulations.

4. To the best of my knowledge, all significant deficiencies in the design or operation of internal controls over financial reporting which could adversely affect UH-Clear Lake's ability to record, process, summarize, and report financial data and any material weaknesses in internal controls that have been identified for UH-Clear Lake have been appropriately reported and addressed.

5. To the best of my knowledge, there have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices other than those reported to the Office of the Executive Vice Chancellor for Administration and Finance in writing (if any).

02/15/12

AUDIT 1-113
6. To the best of my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

7. To the best of my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of UH-Clear Lake as of, and for, the periods presented in this report. (Materiality is defined as a ±5% or greater error on revenues, expenses, assets, liabilities, or net assets.)

8. To the best of my knowledge, there are no unasserted claims or assessments that the Office of General Counsel has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, Accounting for Contingencies other than those reported to the Office of the Executive Vice Chancellor for Administration and Finance in writing (if any).

9. To the best of my knowledge, there has been no –

   a. Fraud, whether or not material, involving management or employees who have significant roles in internal control, that has not been appropriately reported and addressed; or

   b. Fraud involving others that could have a material effect on the financial statements other than those reported to the Office of the Executive Vice Chancellor for Administration and Finance in writing (if any).

10. To the best of my knowledge, from August 31, 2011 through the date of this letter, there have been no subsequent events that have had or may have a material effect on the financial position or the revenues, expenses, and other changes in net assets as shown in the aforementioned financial statements.

   Mr. John Cordary  
   Associate Vice President of Finance, UH-Clear Lake  
   Date: 11/22/11

   Ms. Michelle Dotter  
   Vice President of Administration and Finance, UH-Clear Lake  
   Date: 11/22/11

   Dr. William Staples  
   President, UH-Clear Lake  
   Date: 11/29/11

02/15/12

AUDIT 1-114
UH Downtown Certification Letter

November 17, 2011

Ms. Nandita V. Berry
Chair, Audit and Compliance Committee
UH System Board of Regents
128 E. Cullen
Houston, TX 77204-6001

Pursuant to the UH System Board of Regents Audit Committee Charter and Checklist, the following representations are presented in connection with the preparation of UH Downtown’s financial statements and footnote information for the period ended August 31, 2011.

Management Representations Related to Financial Statements

I have reviewed the financial statements of UH Downtown and I confirm, to the best of my knowledge and belief, the following representations made to you relating to the preparation of the UH Downtown’s financial statements and footnote information.

1. To the best of my knowledge, the financial statements and footnote information are fairly presented in conformity with generally accepted accounting principles except where the State Comptroller’s reporting requirements have instructed us to deviate.

2. University management is responsible for compliance with the state and federal laws and regulations, the State Comptroller’s reporting requirements, and the University of Houston System reporting guidelines communicated by the Office of the Executive Vice Chancellor for Administration and Finance or designee.

3. University management is responsible for establishing and maintaining internal controls over financial reporting. Internal Control is a process, effected by the Board of Regents, administration and management, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: effectiveness and efficiency of operations; reliability of financial reporting; and compliance with applicable laws and regulations.

4. To the best of my knowledge, all significant deficiencies in the design or operation of internal controls over financial reporting which could adversely affect UH Downtown’s ability to record, process, summarize, and report financial data and any material weaknesses in internal controls that have been identified for UH Downtown have been appropriately reported and addressed.

5. To the best of my knowledge, there have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices other than those reported to the Office of the Executive Vice Chancellor for Administration and Finance in writing (if any).

02/15/12
AUD It e P15
6. To the best of my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

7. To the best of my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of UH Downtown as of, and for, the periods presented in this report. (Materiality is defined as a ±5% or greater error on revenues, expenses, assets, liabilities, or net assets.)

8. To the best of my knowledge, there are no unasserted claims or assessments that the Office of General Counsel has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, Accounting for Contingencies other than those reported to the Office of the Executive Vice Chancellor for Administration and Finance in writing (if any).

9. To the best of my knowledge, there has been no –

   a. Fraud, whether or not material, involving management or employees who have significant roles in internal control, that has not been appropriately reported and addressed; or

   b. Fraud involving others that could have a material effect on the financial statements other than those reported to the Office of the Executive Vice Chancellor for Administration and Finance in writing (if any).

10. To the best of my knowledge, from August 31, 2011 through the date of this letter, there have been no subsequent events that have had or may have a material effect on the financial position or the revenues, expenses, and other changes in net assets as shown in the aforementioned financial statements.

Mr. George Anderson
Assistant Vice President of Business Affairs, UH Downtown

Mr. David Bradley
Vice President of Administration and Finance, UH Downtown

Dr. William Flores
President, UH Downtown

02/15/12
AUDIT MEMORANDUM
2-15-12
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UH Victoria Certification Letter

November 17, 2011

Ms. Nandita V. Berry
Chair, Audit and Compliance Committee
UH System Board of Regents
128 E. Cullen
Houston, TX 77204-6001

Pursuant to the UH System Board of Regents Audit Committee Charter and Checklist, the following representations are presented in connection with the preparation of the UH Victoria’s financial statements and footnote information for the period ended August 31, 2011.

Management Representations Related to Financial Statements

I have reviewed the financial statements of UH Victoria and I confirm, to the best of my knowledge and belief, the following representations made to you relating to the preparation of the UH Victoria’s financial statements and footnote information.

1. To the best of my knowledge, the financial statements and footnote information are fairly presented in conformity with generally accepted accounting principles except where the State Comptroller’s reporting requirements have instructed us to deviate.

2. University management is responsible for compliance with the state and federal laws and regulations, the State Comptroller’s reporting requirements, and the University of Houston System reporting guidelines communicated by the Office of the Executive Vice Chancellor for Administration and Finance or designee.

3. University management is responsible for establishing and maintaining internal controls over financial reporting. Internal Control is a process, effected by the Board of Regents, administration and management, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: effectiveness and efficiency of operations; reliability of financial reporting; and compliance with applicable laws and regulations.

4. To the best of my knowledge, all significant deficiencies in the design or operation of internal controls over financial reporting which could adversely affect UH Victoria’s ability to record, process, summarize, and report financial data and any material weaknesses in internal controls that have been identified for UH Victoria have been appropriately reported and addressed.

5. To the best of my knowledge, there have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices other than those reported to the Office of the Executive Vice Chancellor for Administration and Finance in writing (if any).
6. To the best of my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

7. To the best of my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of UH Victoria as of, and for, the periods presented in this report. (Materiality is defined as a ±5% or greater error on revenues, expenses, assets, liabilities, or net assets.)

8. To the best of my knowledge, there are no unasserted claims or assessments that the Office of General Counsel has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, Accounting for Contingencies other than those reported to the Office of the Executive Vice Chancellor for Administration and Finance in writing (if any).

9. To the best of my knowledge, there has been no –

   a. Fraud, whether or not material, involving management or employees who have significant roles in internal control, that has not been appropriately reported and addressed; or

   b. Fraud involving others that could have a material effect on the financial statements other than those reported to the Office of the Executive Vice Chancellor for Administration and Finance in writing (if any).

10. To the best of my knowledge, from August 31, 2011 through the date of this letter, there have been no subsequent events that have had or may have a material effect on the financial position or the revenues, expenses, and other changes in net assets as shown in the aforementioned financial statements.

   Val Walden  
   Ms. Val Walden  
   Comptroller, UH Victoria  
   Date  

   Wayne Beran  
   Mr. Wayne Beran  
   Vice President of Administration and Finance, UH Victoria  
   Date  

   Philip Castille  
   Dr. Philip Castille  
   President, UH Victoria  
   Date  

02/15/12  
AUDIT - 1-118