UNIVERSITY OF TEXAS ARLINGTON

FY 2024 Internal Audit Annual Report

as prepared for the State Auditor's Office

November 2024

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Objective And Background

Objective:

The objective of the **Internal Audit Annual Report** is to provide required information in accordance with the **Texas Internal Auditing Act** on the assurance services, consulting services and other activities performed by the Office of Audit and Consulting Services at The University of Texas at Arlington (UTA). In addition, the **Internal Audit Annual Report** assists oversight agencies in their planning and coordination efforts.

Background:

The **Texas Internal Auditing Act** requires entities such as UTA to submit an **Internal Audit Annual Report** each year to the Governor, the Legislative Budget Board, the State Auditor, and the entities' governing boards and chief executives. The State Auditor is charged with prescribing the form and content of the annual report and other internal audit requirements.

This report was prepared in accordance with the guidance prescribed by the State Auditor, as well as the Texas Government Code, Section 2102.009. The guidance prescribed by the State Auditor for the **Internal Audit Annual Report** are listed on the following website: https://www.sao.texas.gov/InternalAudit/#example

I. Compliance With Texas Government Code, Section 2102.015: Posting The Internal Audit Plan And Internal Audit Annual Report On The Website

Requirement

Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan and Internal Audit Annual Report on the website. Include a brief explanation of the procedures followed to comply with the provisions of Texas Government Code, Section 2102.015.

Details From Government Code

Sec. 2102.015. PUBLICATION OF AUDIT PLAN AND ANNUAL REPORT ON INTERNET.

(a) Notwithstanding Section 2102.003, in this section, "state agency" means a board, commission, department, institute, office, or other agency in the executive branch of state government that is created by the constitution or a statute of this state, including an institution of higher education as defined by Section 61.003, Education Code.

(b) Subject to Subsection (c), at the time and in the manner provided by the state auditor, a state agency shall post on the agency's Internet website:

1. the agency's internal audit plan approved as provided by Section 2102.008; and

2. the agency's annual report required under Section 2102.009.

(c) A state agency is not required to post information contained in the agency's internal audit plan or annual report if the information is excepted from public disclosure under Chapter 552.

(d) A state agency shall update the posting required under this section at the time and in the manner provided by the state auditor to include a detailed summary of the weaknesses, deficiencies, wrongdoings, or other concerns, if any, raised by the audit plan or annual report.

(e) A state agency shall update the posting required under this section to include a summary of the action taken by the agency to address the concerns, if any, that are raised by the audit plan or annual report.

I. Compliance With Texas Government Code, Section 2102.015: Posting The Internal Audit Plan And Internal Audit Annual Report On The Website (Continued)

As required by Subsection (b) of Sec. 2102.015, the Office of Audit and Consulting Services at UTA posted the <u>current fiscal year audit work plan</u> and <u>the latest Internal Audit Annual Report</u> on its web site: https://www.uta.edu/audit.

As stated in Subsection (c) of Sec. 2102.015, the Office of Audit and Consulting Services does *not* post information contained in the internal audit plan or annual report if the information is excepted from public disclosure under Chapter 552.

To further meet Subsection (d) of Sec. 2102.015 requirements, the Office of Audit and Consulting Services does the following:

- Each audit report from the Office of Audit and Consulting Services is presented to UTA's Institutional Audit Committee (IAC) for review and approval. Once the IAC approves the report, the Office of Audit and Consulting Services performs appropriate due diligence (confidentiality review, if applicable, etc.). Each UTA audit report is published on the UT System website: https://www.utsystem.edu/documents/audit-reports-institution. Each report and individual audit observation is evaluated using a standardized and defined risk threshold. In instances where no observations were reported, a summary report is issued to document the audit objective, scope and conclusion. Additionally, if an audit report is deemed confidential by the UT System General Council's office, a summary report is issued in place of the detailed report approved by the IAC.

- Each report includes a summary of actions taken or planned courses of action (i.e., Management Response) to address findings. The Office of Audit and Consulting Services has a robust process in place to follow-up on open (or unresolved) audit findings to help ensure timely resolution. As part of their quarterly meeting, the IAC reviews the status of each open finding to help ensure adequate actions are taken on a timely basis.

II. Internal Audit Plan For Fiscal Year 2024

Requirement
- Include a list of fiscal year 2024 planned audits, and indicate report numbers, report dates, report titles, and whether the audits were completed (if an audit was not completed or is ongoing as a carry-over project, include the current status of the audit).
- Include a brief explanation for any deviations from the fiscal year 2024 audit plan, which was submitted on November 1, 2023, as part of the annual report.
- Include notice if audit results are only included in the internal audit annual report.

Note: For higher education institutions:
- Report the findings for the higher education institution assessment required by Texas Education Code, Section 51.9337(h), in this section **or** in a separate report to the SAO.

UTA Office of Audit and Consulting Services' Response

Exhibit A provides the status of fiscal year 2024 planned audits, advisory services/consulting and other activities. The 2024 Audit Work Plan for UTA's Office of Audit and Consulting Services was approved by the Institutional Audit Committee in July 2023. Additionally, as required, Exhibit A provides report numbers, report titles, issuance/completion status, as well as descriptions of all amendments to the FY 2024 Audit Plan.

UTA performs the higher education institution assessment as required by Texas Education Code, Section 51.9337(h) on an annual basis. This audit is noted on Exhibit A as completed. As required, the Chief Audit Executive assesses whether the institution has adopted the required rules and policies and submits the report. Importantly, there were no findings reported for 2024. The report can be accessed at the following web address: https://www.utsystem.edu/documents/audit-reports-institution. This audit is included in Exhibit A.

II. Status of Work Plan – Exhibit A

Number	Audit Description	Notes	Status
ASSURANCE ENGAGEMENTS			
UTA23-17-CF	Backup and Recovery (Cyber Security (Ransomware and Backup Process)	Audit report was approved by the UTA Audit Committee during the Q2 2024 meeting. The audit was deemed confidential resulting in a summary memo being issued on April 22, 2024.	Completed
UTA23-13-CF	Higher Education Emergency Relief Fund (HEERF)	Audit report was approved by the UTA Audit Committee during the Q1 2024 meeting and subsequently issued on November 15, 2023.	Completed
UTA23-05-CF	Operation Fast Start – Vice President for Development and Alumni Relations	Audit report was approved by the UTA Audit Committee during the Q3 2024 meeting. This audit was deemed confidential resulting in a summary memo being issued on September 9, 2024.	Completed
UTA23-03-CF	Operation Fast Start – Vice President for Research and Innovation	Audit report was approved by the UTA Audit Committee during the Q2 2024 meeting and subsequently issued on March 15, 2024.	Completed
UTA24-01	Operation Fast Start – Chief Financial Officer and Vice President for Business and Finance - Part I - Accounting/Business and Finance Side	Audit report was approved by the UTA Audit Committee during the Q4 2024 meeting. The report was deemed confidential and a summary report was issued.	Completed
UTA24-01	Operation Fast Start – Chief Financial Officer and Vice President for Business and Finance - Part II - Technology Side (OIT, ISO, and Data Analytics)	This was an addition to the 2024 UTA Audit Plan. Audit report was approved by the UTA Audit Committee during the Q4 2024 meeting. The report was deemed confidential and a summary report was issued.	Completed
UTA24-02	Enrollment Management	With the addition of the new VP of Enrollment Management, this audit was converted to an Operation Fast Start audit for FY 2025. This change to the Audit Plan was approved by the Audit Committee in the Q3 2024 meeting. The hours were used to fund the addition of the Operation Fast Start - Chief Financial Officer and Vice President for Business and Finance - Part II - Technology Side (OIT, ISO, and Data Analytics) Audit.	Replaced
UTA24-03	Scholarships	Based on a management request, we expanded the scope of the Operation Fast Start Audit for the Vice President for Development and Alumni Relations (issued September 9, 2024) to include Scholarships. This combining of these two audits was approved by the UTA Audit Committee during the Q2 2024 meeting.	Completed
UTA24-05	Title IX and Title VII	This audit was replaced by the Campus Living Villages External Assurance Review (Advisory Review). This change was approved in the Q4 2024 UTA Audit Committee meeting.	Replaced

II. Status of Work Plan – Exhibit A

Number	Audit Description	Notes	Status
ASSURANCE ENGAGEMENTS			
UTA24-06	IT Access Controls	We included a review of IT access controls in each of the Fast Start audits. Therefore, we replaced this audit by including the scope in the Fast Start audits completed this year. This change was approved by the UTA Audit Committee during the Q2 2024 meeting. Reports were issued for the Fast Start audits.	Completed
UTA24-07	FY 2023 UTS 142 Assurance Audit	Audit report was approved by the UTA Audit Committee during the Q2 2024 meeting and issued on March 15, 2024.	Completed
UTA24-14	Operation Fast Start – Vice President for Student Affairs	This audit is currently being wrapped-up and is expected to be approved by the UTA Audit Committee in December 2024.	In Progress
UTA24-15	Operation Fast Start – Vice President for Marketing, Messaging and Engagement	This audit was replaced with the Texas Education Code 51.3525 Compliance Audit (Senate Bill 17) requested by UT System. The change was approved by UTA Audit Committee during the Q3 meeting.	Replaced
UTA24-16	Operation Fast Start – Dean of the Library	Audits were replaced with the College of Nursing and Health Innovation audit. This change was approved by UTA Audit Committee during the Q3 2024 meeting.	Replaced
UTA24-17	Operation Fast Start – Dean of the College of Education		
UTA24-20	College of Nursing and Health Innovation	Based on management request, this audit was added to the 2024 Audit Plan. This change was approved by the UTA Audit Committee during the Q3 2024 meeting.	In Progress
UTA24-19	Texas Education Code 51.3525 Compliance Audit (Senate Bill 17)	Based on UT System directive, this audit was added to the plan. This change was approved by the UTA Audit Committee during the Q3 2024 meeting. The audit was issued on August 13, 2024.	Completed
ADVISORY AND CONSULTING PROJECTS			
UTA24-04	Campus Living Villages External Assurance Review	This was an addition to the 2024 Audit Plan. This review was performed by a third-party and was validation of the internal audit completed on May 18, 2023. No formal report was issued for this validation. A summary review was provided to the Audit Committee in Q4 2024.	Completed
UTA24-CP-02	Safety - Students, Faculty and Staff	This advisory/consulting review is currently underway.	In Progress

II. Status of Work Plan - Exhibit A

Number	Audit Description	Notes	Status
ADVISORY AND CONSULTING PROJECTS			
UTA24-CP-03	Mental Health - Students, Faculty and Staff	This consulting review was replaced by the Backup and Recovery - Decentralized Committee Participation. This change was approved by the UTA Audit Committee in Q3 2024.	Replaced
UTA24-CP-04	Backup and Recovery - Decentralized Committee Participation	Added to audit plan. Hours were from the Mental Health Advisory review. This addition was approved by the UTA Audit Committee in Q3 2024. This is an advisory project. No report will be written.	In Progress
UTA24-CP-04	Data Analytics Project (P-Card, Timekeeping, Travel, Duplicate Payments, Departmental Expenses)	No formal report.	Completed
UTA24-CP-05	TCE Review - Senate Bill 17 - New Rules Related To DEI - Advisory	Summary provided to Audit Committee in Q2 2024. No formal report.	Completed
UTA24-CP-06	Reserve for Advisory	No formal report.	Completed
UTA24-CP-07	Participation on University Committees	No formal report.	Completed
UTA24-CP-08	Responding to Institutional Requests for Information and Advice	No formal report.	Completed
UTA23-CP-07	Carry-Forward: Culture Survey (Gallup)	No formal report.	Completed
REQUIRED ENGAGEMENTS			
UTA24-09	FY 2023 NCAA Annual Financial Audit	UTA results were covered with the Audit Committee in Q2 2024. Report issued by UT System Audit.	Completed
UTA24-10	FY 2023 Annual Financial Report (AFR) Audit	No formal report.	Completed
UTA24-11	FY 2024 Annual Financial Report (AFR) Interim Work	No formal report.	Completed
UTA24-12	Nursing Shortage Reduction Program Awards Audit	This required audit report was approved by the Audit Committee in Q2 2024 and the report was subsequently issued on February 15, 2024.	Completed
UTA24-13	State Auditor's Office (SAO) Statewide Single Audit (Student Financial Aid)	UTA results were covered with the Audit Committee in Q2 2024. Report was issued by State Auditor's Office.	Completed
UTA24-14	Texas Education Code 51.9337(h) - Annual Reporting Requirement on Procurement Policies	This required audit report was approved by the Audit Committee in Q1 2024 and was subsequently issued on November 15, 2023.	Completed
INVESTIGATIONS			
UTA24-OP-01	Reserve for Investigations	No formal report.	Completed

II. Status of Work Plan - Exhibit A

Number	Audit Description	Update Note	Status
RESERVE			
UTA24-OP-02	Reserve for Unanticipated Audits, Overages or Other Activities	No formal report.	Completed
FOLLOW-UP ON OPEN AUDIT FINDINGS			
UTA24-OP-03	Quarter 1	Results covered with Audit Committee at Q1 2024 meeting.	Completed
UTA24-OP-04	Quarter 2	Results covered with Audit Committee at Q2 2024 meeting.	Completed
UTA24-OP-05	Quarter 3	Results covered with Audit Committee at Q3 2024 meeting.	Completed
UTA24-OP-06	Quarter 4	Results covered with Audit Committee at Q4 2024 meeting.	Completed
DEVELOPMENT – OPERATIONS			
UTA24-OP-07	UT System, SAO, etc., Reporting/Requests	No formal report.	Completed
UTA24-OP-08	Annual Internal Audit Report	Results were covered with the Audit Committee during the Q1 2024 meeting. Report was issued as required.	Completed
UTA24-OP-09	Audit Committee Preparation and Participation	No formal report.	Completed
UTA24-OP-10	Quality Assurance Review or Internal Quality Assurance and Improvement Program (QAIP) Review	Quality Assurance Report was covered with Audit Committee during the Q1 2024 meeting. QAIP was also completed.	Completed
UTA24-OP-11	FY 2025 Annual Work Plan Development & Risk Assessment Process	The 2025 Audit Plan was presented to the Audit Committee during the Q3 2024 meeting. The plan was approved.	Completed
UTA24-OP-12	TeamMate, IDEA, etc., development, maintenance and other technical support	No formal report.	Completed
UTA24-OP-13	Executive Management and Leadership of the IA Department	No formal report.	Completed
UTA24-OP-14	Project Status Staff Meetings	No formal report.	Completed
DEVELOPMENT – INITATIVES AND EDUCATION			
UTA24-OP-15	UT System Audit Office Initiatives and Participation	No formal report.	Completed
UTA24-OP-16	Institutional Strategic or Other Initiatives	No formal report.	Completed
UTA24-OP-17	New audit management software implementation preparation	No formal report.	Completed
UTA24-OP-18	Professional Organization and Association Participation	No formal report.	Completed
UTA24-OP-19	Individual Continuing Professional Education (CPE) Training (including related travel)	No formal report.	Completed
UTA24-OP-20	Non-CPE Training	No formal report.	Completed

III. Consulting Services and Nonaudit Services Completed

Requirement
Consulting Services and Non-audit Services Completed
- Include a list of consulting services, as defined in the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*, and a list of non-audit services, as defined in *Government Auditing Standards*, 2011 Revision, Sections 3.33 – 3.58, or Government Auditing Standards, 2018 Revision, Sections 3.64 – 3.106, as applicable, that were completed during fiscal year 2023.
- If a report was issued, include report numbers, dates, and titles, as well as the high-level objective(s) of each project.

Detail From IIA Standard
- **Consulting services** are advisory in nature and are generally performed at the specific request of an engagement client. The nature and scope of the consulting engagement are subject to agreement with the engagement client. When performing consulting services, the internal auditor should maintain objectivity and not assume management responsibility. The nature of consulting services must be defined in the internal audit charter.

Detail From UTA Internal Audit Charter
- The Office of Audit and Consulting Services will perform **consulting and advisory services** related to governance, risk management and control as appropriate for the organization. Such services include management requests, participation on institutional committees, and participation on implementation teams for information technology projects and business process improvements.

Detail from Government Auditing Standards
Non-Audit Services are defined as follows:
- Activities such as financial statement preparation, cash-to-accrual conversions, and reconciliations are considered non-audit services under GAGAS.
- By their nature, certain non-audit services directly support an entity's operations and, if provided to an audited entity, create a threat to the auditors' ability to maintain independence in mind and appearance. Some aspects of these services will impair auditors' ability to conduct GAGAS engagements for the entities to which the services are provided.

III. Consulting Services and Non-Audit Services Completed

UTA Office of Audit and Consulting Services' Response

- For a listing of Advisory and Consulting Services provided by the Office of Audit and Consulting Services at UTA, see **Exhibit A in Section II** (page 8). Typically, formal audit reports are <u>not</u> written for most advisory or consulting services at UTA. On average Advisory and Consulting Services account for approximately 19 percent of our annual audit hours used. When applicable, summaries of the advisory or consulting reviews are shared with the Institutional Audit Committee and the UT System Audit Office.

- The Office of Audit and Consulting Services at UTA does <u>not</u> engage in these non-audit services such as financial statement preparation, cash-to-accrual conversions, and reconciliations that could impair independence. Each year, each audit team member signs an independence statement. Additionally, at the start of each audit, each auditor confirms that nothing in the engagement scope will impair independence.

IV. External Quality Assurance Review (Peer Review)

Requirement
Include a copy of the executive summary or a summary of issues from the most recent external quality assurance review or peer review report.

The last Quality Assurance Review (QAR) of the Office of Audit and Consulting Services was conducted in November 2023, and the Executive Summary is provided on the following page. The QAR involved a self-assessment with independent validation conducted by Baker Tilly and the CAE from the University of Colorado. The Office of Audit and Consulting Services received the highest rating of "Generally Conforms."

David Price, Chief Audit Executive
University of Texas at Arlington

In September 2023, The University of Texas at Arlington (UT Arlington) internal audit (IA) function, the Office of Audit and Consulting Services (Internal Audit or IA), completed a self-assessment of IA activities in accordance with guidelines published by the Institute of Internal Auditors (IIA) for the performance of a quality assessment review (QAR). UT Arlington IA engaged an independent review team consisting of IA professionals with extensive higher education experience to perform an independent validation of IA's QAR self-assessment. The primary objective of the validation was to verify the assertions made in the QAR report concerning IA's conformity to the IIA's *International Standards for the Professional Practice of Internal Auditing* (the IIA *Standards*) and Code of Ethics, Generally Accepted Government Auditing Standards (GAGAS), and the relevant requirements of the Texas Internal Auditing Act (TIAA).

The IIA's *Quality Assessment Manual* suggests a scale of three ratings, "generally conforms," "partially conforms," and "does not conform." "Generally conforms" is the top rating and means that an IA activity has a charter, policies, and processes that are judged to be in conformance with the *Standards*. "Partially conforms" means deficiencies in practice are judged to deviate from the *Standards*, but these deficiencies did not preclude the IA activity from performing its responsibilities in an acceptable manner. "Does not conform" means deficiencies are judged to be so significant as to seriously impair or preclude the IA activity from performing adequately in all or in significant areas of its responsibilities.

Based on our independent validation of the QAR performed by IA, we agree with IA's overall conclusion that the IA function **"Generally Conforms"** with the IIA's *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics, as well as with IA's conclusions regarding GAGAS and TIAA requirements. Our review noted strengths as well as opportunities for enhancing the IA function.

This information has been prepared pursuant to a client relationship exclusively with, and solely for the use and benefit of, The University of Texas System Administration and UT Arlington and is subject to the terms and conditions of our related contract. Baker Tilly disclaims any contractual or other responsibility to others based on its use and, accordingly, this information may not be relied upon by anyone other than The University of Texas System Administration and UT Arlington.

The review team appreciates the cooperation, time, and candid feedback of executive leadership, stakeholders, and IA personnel.

Very truly yours,

Baker Tilly US, LLP

Baker Tilly US, LLP

V. Internal Audit Plan for Fiscal Year 2025

Requirement
- Include the fiscal year 2025 approved audit plan. If the plan is pending approval from the governing board or chief executive and is not submitted with the annual report, specify the date that the plan will be submitted. If the audit plan is modified during the fiscal year 2025, submit a copy of the revised plan to the oversight agencies.
- Include the budgeted hours for all projects.
- Indicate which projects in the audit plan, if any, address the following:
  - Benefits proportionality, expenditure transfers, capital budget controls, or any other limitation or restriction in the General Appropriations Act.
  - Contract management and other requirements.
- Include a list of additional risks ranked as "high" that were identified but are not included in the fiscal year 2025 audit plan.
- Include a brief description of the risk assessment or methodology used to develop the audit plan, including consideration, if any, of risks associated with:
  - ✓ The applicable information technology risks related to Title 1, Texas Administrative Code, Chapter 202 (Information Security Standards)
  - ✓ Benefits proportionality
  - ✓ Methods for ensuring compliance with contract processes and controls and for monitoring agency contracts, according to Texas Government Code, Section 2102.005(b).

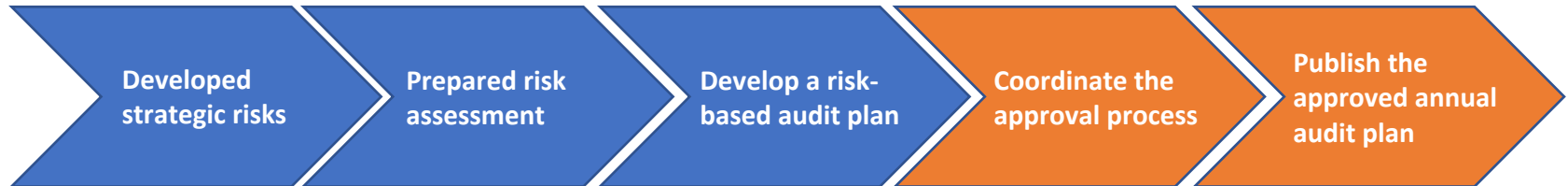**Note**: for Higher Education Institutions:
- Rider 8, page 111-52, the General Appropriations Act (86th Legislature) requires each higher education institution to consider audits of benefits proportionality when developing their annual internal audit plans for fiscal years 2024 and 2025.

The following FY 2025 Audit Work Plan (Exhibit B) was approved by the Institutional Audit Committee in July 2024.

Exhibit B – FY 2025 Audit Work Plan - Overview

Overview of the Audit Planning Process

Developed strategic risks	Prepared risk assessment	Develop a risk-based audit plan	Coordinate the approval process	Publish the approved annual audit plan

- Reviewed top risks from external sources: Deloitte, Higher Ed Dive, United Educators, Protiviti, Audit Board, IIA
- Reviewed UTA audit risk universe from prior years
- Held in-depth conversations with over 30 UTA leaders to gather insights and discuss strategic risks - interviews with Leadership Council, Deans, Faculty Senate and others
- Focused on supporting UTA's 2030 Shared Dreams, Bright Future (UTA Strategic Plan)
- Reviewed and updated UTA's Enterprise Risk Assessment

- Prioritized areas for audit and advisory services
- Classified, ranked and sorted UTA's risks
- Based on risk rankings
- Identified and ranked required audits

- Considered areas with the highest risk rankings for audits
- Recorded rationale for decisions made where a high-ranked area was excluded from the plan
- Researched to determine required audits
- Hours are based on historical averages and in-depth discussion with other CAEs within UT System

- Suggestions for the audit plan are welcome
- The review process includes:
  - ✓ UTA Leadership
  - ✓ UT System
  - ✓ UTA Institutional Audit Committee

- Publish the approved annual audit plan on the department's website for public viewing as required
- Consolidate the UTA audit plan into the overall UT System audit plan (Board of Regents formal approval)

Exhibit B – FY 2025 Audit Work Plan – Types of Services

Types of services:

- **Assurance Audits –** Selected using annual risk assessment (critical, high). A formal audit report will be issued.

- **Advisory Engagements –** Selected as a result of a risk analysis and management request. Advisory or consulting reviews often include a new system or process, participation on ad-hoc committees, data analysis and/or information requests. Consulting reviews often result in a memo or report to management. A formal public report is typically not issued. A summary is typically shared with the audit committee.

- **Required Engagements/Audits –** Selected as a result of specific requirements from a third party such as NCAA, granting agencies, Board of Regents or by a law/regulation.

- **Investigations –** The Office of Audit and Consulting Services performs special investigations, where appropriate, that often involve possible fraud. These investigations are typically unplanned and are normally a response to an audit discovery, hotline call or other notification.

- **Follow-Up –** Hours are assigned to follow-up on open audit findings.

- **Development And Education –** Hours are assigned to audit development and education. As part of this, each auditor receives at least 40 hours of continuing professional education (CPE) per year. All auditors must have 40 hours of CPE to maintain their certifications.

Exhibit B – FY 2025 Audit Work Plan

Engagement Title	Budgeted Hours	Engagement Objective	ERM Risk	2030 Strategic Plan
Assurance Audits				
Fast Start For Deans - FY 2025	2100	UTA has 6 of 11 (55 percent) of all Deans are new to UTA. Leadership transition presents unique challenges and risks. We plan to perform these "transitional" audits for each of the new Deans. We will also include any Deans added in 2025. The scope will be risk based and determined in the preliminary survey but will likely include: financial controls (P-Card, SAHARA, etc.), software and data access controls, student recruiting/retention/advising controls, software utilization (Time Clock Plus, SLATE, etc.), research productivity controls, larger and software contract management controls, SB 17 compliance, etc. The budgeted hours will cover 6 Deans.	Cyber Security, Competition, Talent, Student Success, Regulatory, Financial	People and Culture, Student Success, Research and Innovation, Finance
Fast Start for Leadership Council Members - FY 2025	700	UTA has 10 of 18 (55 percent) of Leadership Council members who are fairly new. We have completed the majority of the Fast Start Audits for Leadership Council; however, we have two remaining. Fast Start Audits are risk based. The scope will be determined during the preliminary survey phase based on analytics, department needs, existing risks. These hours will cover the two remaining audits.	Cyber Security, Competition, Talent, Student Success, Regulatory, Financial	People and Culture, Student Success, Research and Innovation, Finance
Scholarships	350	Perform a review of scholarship and waiver strategy, governance and administration to help ensure they adequately support strategic enrollment initiatives, result in the efficiency and effective distribution of funds to UTA students, as well as comply with applicable policies and procedures.	Competition, Student Success, Financial	Student Success, Alumni and Engagement, Finance
Bookstore Contract Review	350	To help ensure appropriate compliance with contract management, we will complete this audit. The book store is one of UTA's larger contracts. The review will focus on contract compliance, expense control as well as ROI opportunities. As stated in our Audit Strategic Plan, we perform one large contract review each year. This is a part of UTA Audit's Strategic Plan.	Financial	Finance
Title IX and Title VII	400	Review the Title VII and IX processes to help ensure UTA's procedures are consistently followed, and processes are performed in an efficient and effective manner. Ensure participation requirements meet at least one of the three tests in Athletics.	Student Success, Regulatory	Student Success
IT Audit - Administrative/ Privileged Rights	400	Audit the users or groups with administrative IT rights (sample from centralized and decentralized IT applications) to help ensure appropriateness and adequacy of controls to risk exposure.	Cyber Security	Finance and Infrastructure
Student Fees Audit	400	Review student fees including approval, documentation, usage, balances, classification, and accounting practices. Ensure funds are collected and spent in accordance with applicable regulations and policies.	Regulatory, Financial	Finance and Student Success
FY 2024 Carry Forward Audits	360	Complete the open FY 2024 audits.	All	All
Subtotal - Hours and Percent of Plan	**5060**	**52%**		

Exhibit B – FY 2025 Audit Work Plan

Engagement Title	Budgeted Hours	Engagement Objective	ERM Risk	2030 Strategic Plan
Advisory Audits/Projects				
Enterprise Risk Management Consulting	100	Assist Strategic Planning with Enterprise Risk Management initiatives.	All	All
Veterans Business Outreach Center (VBOC)	90	Leadership for this unit was recently changed. Additionally, the areas of responsibility will increase in FY 2025. Reputational, compliance and regulatory risks exist.	Regulatory, Talent, Engagement	People and Culture, Community Engagement
Safety - Part II	400	Part II - Help ensure UTA's safety programs, initiatives, plans and training are adequate to protect students, faculty and staff. This may include focus on student and employee mental health.	Student Success, Regulatory, Financial	Student Success, Finance
Financial Aid Prep Review for SAO Audit	120	Perform testwork and advisory services to help UTA adequately prepare for the FY2025 SAO review.	Student Success, Regulatory, Financial	Student Success, Finance
Data Analytics Project (P-Card, Timekeeping, Travel, Duplicate Payments, Departmental Expenses)	50	Perform data analysis and follow-up research on higher risk transactions in these areas.	All	All
TEC 51.3525 Assist - New Rules Related to DEI	40	Assist in initiatives related to compliance with TEC 51.3525.	Regulatory, Talent, Engagement	People and Culture, Finance
IT AI Governance and Backup & Recovery Consulting TAC 202	40	Hours reserved for consulting on governance and acceptable use of AI, and Backup & Recovery.	Cyber Security, Financial, People and Culture, Research, Student Success	Finance, Research, Student Success
Reserve for Advisory	360	Hours reserved for specific advisory and consulting projects requested by management or Audit Committee. Includes audit tracking of different agencies' audit efforts across campus.	All	All
Participation on University Committees	160	Participate in institutional committees, President's Leadership Council, Employee Engagement Survey Committee, HOP committee, Development/Endowments Committee, CARE Committee, End Point Management Committee, Data Management Officer Council, Title IX cases volunteer efforts, and other ad hoc committees that arise during the year. Hours also include regular check-in meetings with the second lines of defense	All	All
Responding to Institutional Requests for Information and Advice	40	Hours reserved for responding to requests and inquiries from the campus community.	All	All
Subtotal - Hours and Percent of Plan	**1400**	**14%**		

Exhibit B – FY 2025 Audit Work Plan

Engagement Title	Budgeted Hours	Engagement Objective	ERM Risk	2030 Strategic Plan
Required Audits				
FY 2024 NCAA Annual Financial Audit (support for UT System Audit Office)	50	Assist co-sourcing team engaged by UT System Audit Office in their audit of the Statement of Revenue and Expenses for Fiscal 2024 (Required by the NCAA.).	Financial, Regulatory	Finance
FY 2024 Annual Financial Report (AFR) Audit	15	Under the direction of Deloitte, perform a risk-based audit of financial information for the fiscal 2024 AFR.	Financial	Finance
FY 2025 Annual Financial Report (AFR) Interim Work	10	Perform interim fieldwork in preparation of the FY 2025 AFR Audit.	Financial	Finance
Nursing Shortage Reduction Program Awards Audit	140	Provide assurance that the University is complying with the requirements as specified with the awards granted.	Financial, Regulatory	Finance
State Auditor's Office (SAO) Statewide Single Audit (Student Financial Aid)	80	Assist UTA management and State Auditors with the FY 2024 Statewide Single Audit (Student Financial Aid).	Financial, Regulatory, Cyber Security	Finance, Student Success
Texas Education Code 51.9337(h) - Annual Reporting Requirement on Procurement Policies	40	Texas Education Code 51.9337 requirement that the Chief Audit Executive (CAE) annually certify to the state auditor that the Institution has procurement policies in place that comply with the Texas Education Code requirements for higher education institutions.	Financial, Regulatory	Finance
Subtotal - Hours and Percent of Plan	**335**	**3%**		
Investigations				
Reserve for Investigations	120	Perform reviews of any alleged, irregular conduct to determine whether civil or criminal violations of state or federal laws have occurred, or violation of system or institution policies have occurred. This includes SAO and UTA Hotline research.	All	All
Subtotal - Hours and Percent of Plan	**120**	**1%**		
Reserves				
Reserve for Unanticipated Audits or Other Activities	150	Allowance for special requests and/or emerging risks. Provides flexibility for time reviews of high-risk/impact requests made by UTA leaders, Audit	All	All
Subtotal - Hours and Percent of Plan	**150**	**2%**		
Follow-up on Open Audits				
Quarter 1	60	Follow up of prior management action plans.	All	All
Quarter 2	60	Follow up of prior management action plans.	All	All
Quarter 3	60	Follow up of prior management action plans.	All	All
Quarter 4	60	Follow up of prior management action plans.	All	All
Subtotal - Hours and Percent of Plan	**240**	**2%**		

Exhibit B – FY 2025 Audit Work Plan

Engagement Title	Budgeted Hours	Engagement Objective	ERM Risk	2030 Strategic Plan
Operations				
UT System, SAO, etc., Reporting/Requests	100	Responding to requests made by the UT System Audit Office, SAO, etc., including periodic reports, metrics, and responding to significant findings, time summaries, CAE bi-weekly calls, Internal Audit Council meetings, TM calls, etc.	N/A	N/A
Annual Internal Audit Report	30	Required report of Internal Audit Activity - Texas Internal Auditing Act. Report due November 1, 2024 to State Auditor's Office.	N/A	N/A
Audit Committee Preparation and Participation	300	Preparation, participation and attendance at Audit Committee meetings.	N/A	N/A
Quality Assurance Review - or other internal processes and activities	40	Participation in QAIP management and activities. Ongoing quality improvement of the department. A big part of the FY 2025 review will relate to ensuring we comply with the New Global IIA guidance.	N/A	N/A
FY 2026 Annual Work Plan Development & Risk Assessment Process	300	Preparation of the FY 2026 Audit Plan, including risk assessments.	N/A	N/A
Implementation of eCase	300	Implementation, transition, maintenance, training, adopting best practices and user support for the new eCase tool.	N/A	N/A
Executive Management and Leadership of the IA Department	370	Includes hiring, development, budgeting, performance appraisals, administrative duties, leadership, managing outsourcing activities, promoting the internal audit department, executive meetings, and all other responsibilities of the CAE and/or Asst. Director that are not directly attributable to a specific audit project.	N/A	N/A
Project Status Staff Meetings	370	Staff meetings to discuss updates/status of multiple audit projects. This includes staff bi-weekly 1:1s with the CAE.	N/A	N/A
Subtotal - Hours and Percent of Plan	**1810**	**19%**		
Development				
UT System Audit Office Initiatives and Participation	100	Participation in UT System requested committees, workgroups, research activities, etc.	N/A	N/A
Audit Strategic Plan	25	Ensure the audit strategic plan is up to date and aligned with UTA's 2030 plan.	N/A	N/A
Professional Organization and Association Participation	100	Preparation and participation as a volunteer in professional associations such as IIA, ACUA, TACUA, ISACA, etc. David runs the CAE Roundtable for the Dallas Chapter of the IIA and serves on their Board of Governors. Dana serves as a board member of TACUA.	N/A	N/A
Individual Continuing Professional Education (CPE) Training (including related travel)	320	Preparation and participation in professional associations such as IIA, ACUA, TACUA, ISACA, etc.	N/A	N/A
Non CPE related training	100	New hire training, as well as participation in training that enhances development but where CPE is not earned (i.e. University required Compliance training; UTShare training, etc.).	N/A	N/A
Subtotal - Hours and Percent of Plan	**645**	**7%**		

Exhibit B – FY 2025 Audit Work Plan

- Advisory includes fewer Enterprise Risk Management hours as a portion of this work will be performed by Strategic Planning.

Category Within Audit Plan	Percentage of Audit Plan Hours By Year							Seven Year Average
	2019	2020	2021	2022	2023	2024	2025	
Assurance Audits	42%	41%	42%	39%	45%	46%	52%	44%
Advisory Services	17%	18%	22%	23%	19%	21%	14%	19%
General Reserve	3%	4%	2%	3%	3%	2%	3%	3%
Required Audits	6%	9%	5%	7%	4%	3%	1%	5%
Investigations	2%	3%	4%	3%	2%	2%	2%	3%
Follow-Up On Prior Audits	3%	2%	2%	2%	2%	2%	2%	2%
Operations	19%	15%	15%	16%	17%	15%	19%	17%
Initiatives and Education	8%	8%	8%	7%	8%	9%	7%	8%

Exhibit B – FY 2025 Audit Work Plan – Risks not Included on Plan

The following were risks that were ranked high that did not make our audit plan. These risks are on the horizon for upcoming audit plans (next 1 to 3 years) or are being addressed by UTA using other means.

1. Regulatory changes and compliance
2. Mental Health
3. Competition in Higher Education
4. Endowments
5. Prepare Students for Workforce
6. Research Funding
7. Cyber Attack Risk Incident Response

Based on relative risk, the Benefits Proportionality Audit (last performed in FY 2022) did not make the plan for FY 2024.

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VI. External Audit Services Procured in Fiscal Year 2023

Requirement
- Include a list of all external audit services that were procured or were ongoing in fiscal year 2024. Examples of those services may include, but are not limited to, financial and performance audits and attestation engagements such as a review or an agreed-upon procedures engagement.

The Office of Audit and Consulting Services hired EisnerAmper (formerly Postlethwaite & Netterville [P&N]) to work with the Chief Audit Executive on the Cyber Security and Backup Recovery Audit. This audit was completed in Q1 2024.

The Office of Audit and Consulting Services hired EY to work with the Audit Manager and Chief Audit Executive to validate the findings from the Campus Living Villages audit issued last year. No report was written. This review was completed in Q4 2024.

VII. Reporting Suspected Fraud and Abuse

> **Requirement**
> - Include a brief description of the entity's actions taken to comply with the fraud reporting requirements of Section 7.09, page IX-38, the General Appropriations Act (87th Legislature).
> - Include a brief description of the entity's process to comply with the investigation coordination requirements of Texas Government Code, Section 321.022.

Section 7.09, Page IX-37, the General Appropriations Act (87th Legislature)

Actions taken to implement the fraud reporting requirements of the General Appropriations Act (87th Legislature), Section 7.09:

- SAO fraud reporting link is included on the bottom of UTA's homepage (www.uta.edu) labeled "Report Fraud."
- UTA Policy E-PO1 *Dishonest or Fraudulent Activities* UTA Policies and Procedures.
- UTA Ethics Hotline https://www.uta.edu/campus-ops/compliance-services/ethics-hotline provides employees an anonymous way to report suspected fraud, theft and other unethical behavior.
- Policies and Procedures are current related to the requirements that the Chief Administrative Officer shall report suspected fraud to the State Auditor's Office.

Texas Government Code § 321.022. Coordination of Investigations

a) If the administrative head of a department or entity that is subject to an audit by the state auditor has reasonable cause to believe that money received from the state by the department or entity or by a client or contractor of the department or entity may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the department or entity, the administrative head shall report the reason and basis for the belief to the state auditor.   The state auditor may investigate the report or may monitor any investigation conducted by the department or entity.

b) The state auditor, in consultation with state agencies and institutions, shall prescribe the form, content, and timing of a report required by this section.

c) All records of a communication by or to the state auditor relating to a report to the state auditor under Subsection (a) are audit working papers of the state auditor.

If a situation were to occur where this code is applicable, UTA would report such activities to the State Auditor's Office through the following website: https://sao.fraud.Texas.gov/reportfraud/.