The University of Texas
Rio Grande Valley

Brownsville • Edinburg • Harlingen

ANNUAL INTERNAL AUDIT REPORT
FISCAL YEAR 2016

Office of Audits and Consulting Services

October 28, 2016

Dr. Guy Bailey, President UTRGV
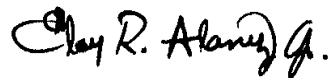Mr. Kenneth Everhard, Chair, UTRGV Internal Audit Committee

We are pleased to submit the Office of Audits and Consulting Services' Annual Internal Audit Report for the fiscal year ended August 31, 2016. This report is required by the Texas Internal Auditing Act and provides information on the assurance services, consulting services, and other activities of the UTRGV internal audit function.

During fiscal year 2016, we issued audit reports that have enhanced University operations and provided value to management with recommendations relating to governance, risk management, and control processes at The University of Texas Rio Grande Valley.

We will post the Annual Internal Audit Report on the UTRGV website by November 1, 2016 as required by the Texas Government Code, *Section 2102.015*.

If you have any questions about the contents of this report, please do not hesitate to contact me.

Respectfully submitted,

Eloy R. Alaniz, Jr. CPA, CIA, CISA
Chief Audit Executive

Office of Audits and Consulting Services

The Woods, 140	CHUR, 1.101	**utrgv.edu**
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Office of Audits and Consulting Services

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SECTION I
Compliance with Texas Government Code, Section 2102.015: Website Postings

The University of Texas Rio Grande Valley
Office of Audits and Consulting Services
Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit
Plan, Internal Audit Report, and Other Audit information on Internet Web site
Fiscal Year Ending August 31, 2016

Texas Government Code, Section 2102.015, requires state agencies and higher education institutions, as defined in the statute, to post certain information on their internet web sites. Accordingly, an entity should post its final audit plan and annual report on its internet web site within 30 days after the audit plan and annual report are approved by an entity's governing board or chief executive. Submitting and posting the fiscal year 2017 Internal Audit Plan and fiscal year 2016 Internal Audit Annual Report, in accordance with Texas Government Code, Section 2102.015, **due November 1, 2016.** Agencies and higher education institutions are also required to post a summary of actions taken to address issues raised by the audit plan or annual report. In addition, all periodic internal audit reports should be submitted "not later than the 30th day after the date the report is submitted to the state agency's governing board or the administrator of the state agency if the state agency does not have a governing board."

To comply with the requirements of Texas Government Code, Section 2102.015, the Annual Internal Audit Report is posted on the home page of the UTRGV website under "Site Policies" http://www.utrgv.edu/en-us/site-policies/ and linked under the subheading for "Required Links". All periodic internal audit reports were submitted to the Governor's Office of Budget, Planning & Policy, State Auditor's Office, Legislative Budget Board, and the Sunset Advisory Commission within 30 days of submitting these reports to UT Rio Grande Valley's Internal Audit Committee. In addition, the periodic internal audit reports were posted to the UT System Audit Office's website under "Audit Reports", http://www.utsystem.edu/documents/audit-reports

SECTION II
Internal Audit Plan for Fiscal Year 2016

FY 2016 Audit Plan Engagements	Original Budget	Additions/ Deletions	Revised Budget	Actual Hours	Status of Audit/Project as of August 31, 2016
Financial Audits and Projects					
FY2015 Financial Statement Audit - Final Procedures	300		300	31	Completed work for Deloitte-UT System consolidated audit
FY2016 Financial Statement Audit - Interim Procedures	125		125	21	Completed work for Deloitte-UT System consolidated audit
THECB Peer Review Facilities Audit	100	(100)	0		Postponed to FY 2017 with Audit Committee approval
NCAA Agreed Upon Procedures	300	400	700	735	Assisted UT System with entire audit. Report issued January 15, 2016
Review of Assets Management	300		300	230	In progress, carry forward to FY 2017 Audit Plan
SAO Financial Portion Statewide Single Audit	50		50	53	Assisted SAO with SEFA audit
UTS 142.1 Certification	75		75	35	Completed certification
Financial Subtotal	**1250**	**300**	**1550**	**1105**	
Operational Audits and Projects					
Medical School Consulting	800		800	100	Minor consulting activity, carry forward to FY 2017 Audit Plan
Business Process Consulting	600		600	75	Minor consulting activity, carry forward to FY 2017 Audit Plan
UTShare PeopleSoft Consulting	700	(700)	0		Postponed to FY 2017 with Audit Committee approval
Student Academic History Consulting	200	(200)	0		Removed from plan to avoid duplication-Institutional Compliance addressed
Executive Travel and Entertainment	250		250		Not completed; included in FY 2017 Audit Plan
UTRGV President's Travel and Entertainment	50		50	110	Assisted UT System with audit
Contract Administration	350		350	738	In progress, carry forward to FY 2017 Audit Plan
Operational Subtotal	**2950**	**(900)**	**2050**	**1023**	
Compliance Audits and Projects					
NCAA Compliance Audit Part 1 of 2	75	300	375	390	Report # 16-03 issued June 27, 2016
NCAA Compliance Audit Part 2 of 2	75	300	375	390	Report # 16-04 issued June 27, 2016
Endowments and Scholarship Awards	200		200	102	In progress, carry forward to FY 2017 Audit Plan
Title IX	200		200	243	In progress, carry forward to FY 2017 Audit Plan
Joint Admissions Medical Program (JAMP)	100		100	121	Report # 16-01 issued October 22, 2015
Benefits Proportionality by Fund					
UTPA	100		100	364	Report # 16-02 issued March 7, 2016
UTB	200		200	691	Report # 16-08 issued August 31, 2016
Research Compliance	400	(400)	0		Removed from plan; conducted Assoc. VP for Research & Sponsored Programs audit
Compliance Subtotal	**1350**	**200**	**1550**	**2301**	
Information Technology Audits and Projects					
Texas Administrative Code (TAC) 202	600	(600)	0		Postponed to FY 2017 with Audit Committee approval
Payment Card Industry Data Security Standards (PCI)	200		200	410	Report # 16-06 issued July 15, 2016
Blackboard	200		200		Not completed; reassessed risk for FY 2017
Continuous Audits of Pro-cards	200		200	226	In progress, carry forward to FY 2017 Audit Plan
Information Technology Subtotal	**1200**	**(600)**	**600**	**636**	
Follow Up					
Follow-up on all UTRGV recommendations	100		100		Follow up to be conducted in FY 2017
Follow Up Subtotal	**100**	**0**	**100**	**0**	

The University of Texas Rio Grande Valley
FY 2016 Annual Audit Plan
4th Quarter Status - August 31, 2016

FY 2016 Audit Plan Engagements	Original Budget	Additions/ Deletions	Revised Budget	Actual Hours	Status of Audit/Project as of August 31, 2016
Development - Operations					
UT System/SAO External Reporting	250	(25)	225	287	
SAO Annual Audit Report		25	25	18	Completed and posted online
Annual Audit Plan and Risk Assessment	150	200	350	368	
Internal Audit and other Committees	400		400	211	
Council Meetings	150		150	53	
TeamMate and audit software	100		100	239	
Management of Audit Activity	400		400	714	
Internal Controls Training	200		200		
Development - Operations Subtotal	**1650**	**200**	**1850**	**1889**	
Development - Initiatives and Education					
UT System Audit Office Initiatives	100		100	113	
Professional Organizations	200		200		No participation in professional organizations during the year
Continuing Professional Education	619		619	951	
Assistance to other departments	200		200	131	
Internal Audit Office Organization and Strategy	200		200	170	
UTRGV Audit Office Transition		700	700	889	
Development - Initiatives and Education Subtotal	**1319**	**700**	**2019**	**2254**	
Reserve					
Financial Reserve	500	(500)	0		
UTPA Financial Statement - SACS		300	300	397	Assisted Deloitte, UTPA - FY 2015 & FY 2014 report dated April 7, 2016
UTB Financial Statement - SACS		300	300	256	Assisted Deloitte, UTB - FY 2015 & FY 2014 report dated April 7, 2016
Operational Reserve	800	(725)	75		
AVP Research & Sponsored Programs		300	300	398	Report # 16-05 issued July 14, 2016
Institutional Advancement's Support to the Int'l Women's Board		150	150	85	In progress, carry forward to FY 2017 Audit Plan
Endowment Mgmt & Administration Fees Assessment		75	75	64	Report # 16-07 issued August 8, 2016
Endowment Compliance Reporting		200	200	173	Provided support and assistance to UTRGV Endowment Compliance Manager
Special Requests and Investigations	550	(550)	0		
UTB Grant (CGWA)		550	550	758	UT System-Office of General Counsel Request-Limited Distribution
Reserve Subtotal	**1850**	**100**	**1950**	**2131**	
Total Hours - Engagements	**11669**	**0**	**11669**	**11339**	

The University of Texas Rio Grande Valley
Office of Audits & Consulting Services
Deviations from the UTRGV Audit Plan
Fiscal Year Ending August 31, 2016

Explanation of Deviations from Audit Plan

The FY 2016 Audit Plan Status Report indicates that the Office of Audits & Consulting services **completed 63% of its budgeted audit plan**. This completion rate consisted of 17 out of 27 audit reports and projects issued during the fiscal year.

While not all of the audits or projects on the plan were completed, five (5) audits are currently in the draft report review phase: Review of Assets Management; Contract Administration; Title IX; Continuous Audit of ProCards; and Institutional Advancements Support to International Women's Board.

We adjusted the FY 2016 plan and received approval by the UTRGV Internal Audit Committee for the following changes:
- We removed the following three (3) engagements from the plan: THECB Peer Review Facilities Audit due to THECB rescheduling for February 2017; the UT System PeopleSoft Consulting project delayed implementation to FY 2017; and the Texas Administrative Code (TAC) 202 due to other requests by management. These engagements, however, were included in the FY 2017 Audit Plan.
- We also removed the following three (3) engagements from the plan: Student Academic History Consulting to avoid duplication of effort since the Institutional Compliance Office was working in this area; Research Compliance Audit due to a request by the Senior VP for Research, Innovation, & Economic Development to audit the Associate VP for Research and Sponsored Projects Office, which is responsible for Research Compliance; and Blackboard, which was reassessed as a low risk for FY 2017.

These hours were used to offset overages on completed audits/projects where unanticipated circumstances arose.

The University of Texas Rio Grande Valley
Office of Audits & Consulting Services
TEC Section 51.9337(h) Assessment
Fiscal Year Ending August 31, 2016

Senate Bill 20 (84th Legislative Session) made several modifications and additions to Texas Government Code and Texas Education Code (TEC) related to purchasing and contracting. Effective September 1, 2015, TEC §51.9337 requires that, "*The chief auditor of an institution of higher education shall annually assess whether the institution has adopted the rules and policies required by this section and shall submit a report of findings to the state auditor.*"
The UTRGV Office of Audits & Consulting Services conducted this required assessment for fiscal year 2016, and found the following:

> Based on review of current institutional policy and the UT System Board of Regents' *Rules and Regulations*, UTRGV has generally adopted all of the rules and policies required by TEC §51.9337. Review and revision of institutional and System policy is an ongoing process. These rules and policies will continue to be assessed annually to ensure continued compliance with TEC 51.9337.

SECTION III
Consulting Services and Nonaudit Services Completed

CONSULTING SERVICE AND NON-AUDIT SERVICES COMPLETED

Date Completed	Name of Engagement	High-Level Audit Objective(s)	Observations/Findings and Recommendations	Fiscal Impact/Other Impact
	NONE			

SECTION IV
External Quality Assurance Review
(Peer Review)

The University of Texas Rio Grande Valley
Office of Audits and Consulting Services
External Quality Assurance Review
Fiscal Year Ending August 31, 2016

The University of Texas Rio Grande Valley (UTRGV) was created by the Texas Legislature on December 7, 2012, and it combined the resources and assets of The University of Texas-Pan American (UTPA) and the University of Texas-Brownsville (UTB) effective September 1, 2015. UTRGV has locations in Brownsville, Edinburg, and Harlingen as well as off-campus research laboratories throughout the Rio Grande Valley. The resources for the Internal Audit Offices of UTB and UTPA were also combined to form the UTRGV Office of Audits and Consulting Services.

In 2014, The UT System wide Audit Office engaged PricewaterhouseCoopers (PwC) to conduct an External Quality Assessment (EQA) of all internal audit offices across The UT System. UTB and UTPA's audit offices were separately evaluated by PwC, and the EQA results for the legacy institutions' audit offices are included. The initial External Quality Assurance Review for UTRGV's Office of Audits and Consulting Services will be conducted in the fall of 2017.

The University of Texas at Brownsville

2014 External Quality Assessment of the Office of Internal Audits

pwc

![pwc logo]

June 9, 2014

Mrs. Norma Ramos, Director and Chief Audit Executive
The University of Texas at Brownsville
451 E. Alton Gloor Blvd., Rm. 140
Brownsville, TX 78526

We have completed an External Quality Assessment ("EQA") of The University of Texas at Brownsville("UT Brownsville" or "institution") Office of Internal Audits ("IA"). The EQA included an assessment of the level of conformance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing ("the IIA Standards"), the Generally Accepted Government Auditing Standards ("GAGAS"), as well as the relevant requirements of the Texas Internal Auditing Act ("TIAA"). Listed below are our observations:

- IIA Standards – Based on our work, overall IA generally conforms. We did identify process enhancement opportunities.
- GAGAS – Our assessment of GAGAS was limited, based on IA's disclosure that no internal audits were performed during our assessment period under GAGAS. Based on our work, we did not identify conformance observations. We did identify process enhancement opportunities.
- TIAA requirements – Other than the observations related to IIA Standards and GAGAS, no other observations were identified during our work.

Our services were performed and this report was developed in accordance with our contract dated February 18, 2014 and are subject to the terms and conditions included therein. Our Services were performed in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants ("AICPA"). Accordingly, we are providing no opinion, attestation or other form of assurance with respect to our work and we did not verify or audit any information provided to us. Our work was limited to the specific procedures and analysis described herein and was based only on the information made available through May 2, 2014, when field work was substantially completed. Accordingly, changes in circumstances after this date could affect the findings outlined in this Report. This information has been prepared solely for the use and benefit of, and pursuant to a client relationship exclusively with The University of Texas System Administration. PwC 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 Brownsville.

We would like to offer a sincere thank you to you and your staff, and the Internal Audit Committee and management of UT Brownsville, for the time and attention they provided during this assessment. We appreciate the opportunity to serve The University of Texas System Administration on this important engagement.

Very truly yours,

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP, 1201 Louisiana, Suite 2900, Houston, TX 77002-5678
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Information contained herein is for the sole benefit and use of PwC's Client

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Executive Summary

Executive Summary

Project objectives, approach, and scope

The overall objective of the project was to evaluate whether The University of Texas at Brownsville("UT Brownsville" or "institution") Office of Internal Audits ("internal audit function" or "IA") conforms with the Institute of Internal Auditors' ("IIA") International Standards for the Professional Practice of Internal Auditing ("the IIA Standards"), the Generally Accepted Government Auditing Standards ("GAGAS") as well as the Texas Internal Auditing Act ("TIAA"), and to perform an assessment of the IA function compared to leading practices and recommend areas for improvement. In cases where the IIA Standards and GAGAS varied, we utilized the IIA's "Supplemental Guidance" document, which provides a suggested approach to assess these standards.

Our approach and scope included:
- Interviewing stakeholders of the IA function, including the President and other institution executive team members, members of The University of Texas System and members of the external audit firm.
- Surveying executive management and IA team members.
- Interviewing the IA team members.
- Analyzing a sample of IA documents, including Internal Audit Committee and management reports, methodology and procedure documents, annual plans, risk assessments, audit work papers and reports, performance metrics, customer surveys, and other relevant information.

During the period covered by this Report, IA informed us that they did not issue any individual audit reports that stated the audit was conducted in accordance with GAGAS. As such, certain GAGAS related to audit execution and reporting were not assessed.

This Executive Summary provides a high level summary of our observations and recommendations. Additional details were provided to the Chief Audit Executive ("CAE").

Executive Summary (continued)

Assessment of IIA Standards

We have assessed IA's conformance with the IIA Standards and our overall assessment is reflected in the table below.

Standard Number	IIA Standards	Assessment of Conformance
1000	The purpose, authority and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the definition of Internal Auditing, the Code of Ethics, and the Standards. The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.	Generally Conforms
1100	The internal audit activity must be independent, and internal auditors must be objective in performing their work.	Generally Conforms
1200	Engagements must be performed with proficiency and due professional care.	Generally Conforms
1300	The chief audit executive must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity.	Generally Conforms
2000	The chief audit executive must effectively manage the internal audit activity to ensure it adds value to the organization.	Generally Conforms
2100	The internal audit activity must evaluate and contribute to the improvement of governance, risk management, and control processes using a systematic and disciplined approach.	Generally Conforms
2200	Internal auditors must develop and document a plan for each engagement, including the engagement's objectives, scope, timing, and resource allocations.	Generally Conforms
2300	Internal auditors must identify, analyze, evaluate and document sufficient information to achieve the engagement's objectives.	Generally Conforms
2400	Internal auditors must communicate the results of engagements.	Generally Conforms
2500	The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.	Generally Conforms
2600	When the chief audit executive concludes that management has accepted a level of risk that may be unacceptable to the organization, the chief audit executive must discuss the matter with senior management. If the chief audit executive determines that the matter has not been resolved, the chief audit executive must communicate the matter to the board.	Generally Conforms

"Generally Conforms" means the IA activity has practices that are in accordance with the IIA Standards, although opportunities for enhancement may exist. "Generally Conforms" is the highest ranking possible.

Executive Summary *(continued)*

Assessment of standards and requirements

Below is a summary of our observations of IA's adherence with IIA Standards, GAGAS, and TIAA requirements. Additional details of observations or recommendations were provided to the CAE.

IIA Standards

Based on our work, overall A&AS generally conforms. We did identify process enhancement opportunities.

GAGAS

Our assessment of GAGAS was limited, based on IA's disclosure that no internal audits were performed during our assessment period under GAGAS. Based on our work, we identified a conformance observation that IA deferred the external peer review as directed by the UT System in order to coordinate the process System wide. We also identified process enhancement opportunities.

TIAA requirements

Other than the observations related to IIA Standards and GAGAS, no conformance observations were identified during our work. We did identify a process enhancement opportunity.

Executive Summary (continued)

## Summary of internal audit leading practices benchmarking results

We utilized PwC's Internal Audit Framework, comprised of five major categories, to assess the current state of IA. The analysis was based on stakeholder interviews, IA documentation, and a comparison with our internal audit leading practices database.

We have broken out each of the five categories into sub-categories and provided the following details to the CAE:
- Overview of common benchmark attributes (not UT Brownsville specific);
- Areas of strength;
- Recommendations related to IIA Standards, GAGAS, and TIAA requirements; and
- Leading practice recommendations.

A summary of the internal audit function's performance against leading practices is illustrated to the right. This current state assessment benchmarked IA's operations and activities against internal audit leading practices as of May 2, 2014, when fieldwork was substantially completed.

Some elements of these observations are included in planned UT System-wide initiatives and are identified throughout this report with this symbol: ⟷ .
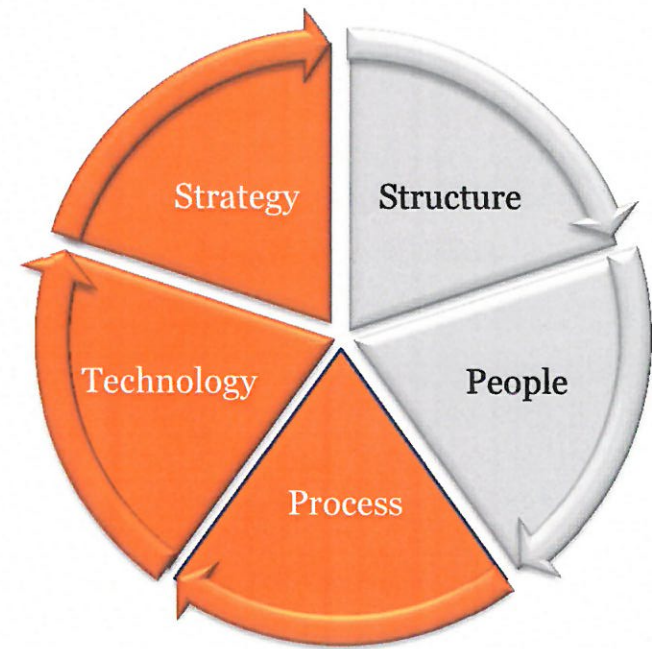
Legend:

Limited opportunities for enhancement
Moderate opportunities for enhancement
Significant opportunities for enhancement

Executive Summary (continued)

Positive attributes and/or leading practices

The following is a summary of positive attributes and/or leading practices demonstrated by the UT Brownsville IA group.

Strategy

- **Emerging Risks and Proactive Audits** - The audit plan considers emerging risks (e.g., separation from Texas Southmost College and consolidation with UT Pan American) and includes some proactive engagements prior to implementation of process or technology changes in the business.
- **Risk Assessment Input -** IA identified key stakeholders and regularly meets with and obtains feedback from these key stakeholders regarding new/emerging risks and key initiatives (e.g., Peoplesoft).

Structure

- **Leadership Involvement and Function Respect** – IA is well respected by the Executive Team and is engaged in dialog around the Institution's strategies/key initiatives and is often sought after by management to provide consulting advice.
- **Coordination with Compliance** – IA coordinates risk assessment activities with the institution's Compliance function to minimize duplication of efforts and gaps in coverage.

People

- **Certification of IA Function**– IA staff are experienced in the Higher Education sector and hold multiple certifications.
- **Collaboration With Management** – IA has a strong relationship with management and works in conjunction with stakeholders to assist them in identifying solutions to mitigate risk.

Process

- **Audit Process Guidance** – IA has thorough, documented procedures which are explicitly aligned with IIA Standards.
- **Standardized Workpapers** - Workpapers are standardized to drive consistency on each audit.

Executive Summary (continued)

Opportunities for enhancement and leading practice recommendations

The following is a compilation of the top recommendations identified in this external quality assessment. More detailed information was provided to the CAE.

Strategic Plan and Alignment *(Strategy)*	• As the institution progresses towards its establishment of UT Rio Grande Valley, IA should formalize a strategic IA plan detailing strategies and tactical actions to ensure IA is aligned with the initiatives and risk profile of the new institution (i.e., new medical school). • The CAE should consider updating the current IA Charter to better reflect the new external audit committee structure and reporting relationships. ⟷
Risk Assessment *(Strategy)*	• IA should consider creating a more defined risk assessment criteria for impact and probability risk factors to help in the prioritization of risk and allocation of audit resources. In addition, IA should consider summarizing risk responses (e.g., coverage by other lines of defense) for all high risk areas not reviewed by IA. ⟷
Specialized Expertise *(Structure)*	• IA could further benefit from leveraging specialized expertise from UT System, external providers, etc. for audits requiring specialized expertise including IT, Title IV, Peoplesoft, etc.

Executive Summary *(continued)*

Opportunities for enhancement and leading practice recommendations (continued)

Staffing Model & Mix *(People)*

- IA should consider utilizing guest auditors, student interns or other temporary staffing strategies to supplement its current staff and assist in conducting more routine audits (e.g., change in management audits).

Audit Reporting *(Process)*

- IA should also consider further articulating the actual and potential risk exposure associated with audit findings and explicitly prioritizing findings based on risk exposure. An effort to develop a consistent System wide approach to prioritize findings is ongoing by the UT System Audit Office. ⬌

Audit Committee Communication *(Process)*

- The CAE should consider establishing a plan to develop her relationship with the external Audit Committee members once they have been nominated.
- IA should consider incorporating visual reporting and other executive information (systemic control themes, underlying root causes, impact and probability of risk, forward views of risks, etc.) into its Audit Committee presentations.

Executive Summary (continued)

Opportunities for enhancement and leading practice recommendations (continued)

Audit Engagement Risk Assessment *(Process)*	• Discussions of fraud risk assessments performed during audit planning should be formally documented in the work papers. • IA should consider formalizing a process to perform and document a risk assessment specific to each audit engagement.
Data Analytics *(Technology)*	• Data analytics should be further considered in audit execution activities to enhance audit efficiency and effectiveness. A continuous monitoring program should also be considered for high transactional processes such as accounts payable or Pcards. ⟷
Knowledge Management *(Technology)*	• IA could benefit from enhanced sharing of training programs, audit programs, risk analysis, data analysis techniques, etc., and by leveraging the System Audit Office's recently developed knowledge sharing platform. ⟷

The University of Texas - Pan American

2014 External Quality Assessment of the Office of Internal Audit

pwc

June 9, 2014

Mr. Eloy Alaniz
Executive Director of Audits, Compliance & Ethics Officer
The University of Texas Pan American
1201 West University Drive
Edinburg, TX 78539-2999

We have completed an External Quality Assessment ("EQA") of The University of Texas at Pan American ("UT Pan American") Office of Internal Audit ("IA"). The EQA included an assessment of the level of conformance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing ("the IIA Standards"), the Generally Accepted Government Auditing Standards ("GAGAS") as well as the relevant requirements of the Texas Internal Auditing Act ("TIAA").   Listed below are our observations:

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- TIAA requirements – Other than the observations related to IIA Standards and GAGAS, no other observations were identified during our work.

Our Services were performed and this report was developed in accordance with our contract dated February 18, 2014 and are subject to the terms and conditions included therein. Our Services were performed in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants ("AICPA"). Accordingly, we are providing no opinion, attestation or other form of assurance with respect to our work and we did not verify or audit any information provided to us. Our work was limited to the specific procedures and analysis described herein and was based only on the information made available through May 9, 2014, when field work was substantially completed. Accordingly, changes in circumstances after this date could affect the findings outlined in this report. This information has been prepared solely for the use and benefit of, and pursuant to a client relationship exclusively with The University of Texas System Administration. PwC 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 Pan American.

We would like to offer a sincere thank you to you and your staff, and the Internal Audit Committee and management of UT Pan American, for the time and attention they provided during this assessment. We appreciate the opportunity to serve The University of Texas System Administration on this important engagement.

Very truly yours,

PricewaterhouseCoopers, LLP

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Executive Summary

Executive Summary

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Our approach and scope included:
- Interviewing stakeholders of the IA function, including the President & Internal Audit Committee Chair, other institution executive team members, members of The University of Texas System and members of the external audit firm.
- Surveying management and Internal Audit Committee members.
- Interviewing IA team members.
- Analyzing a sample of IA documents, including Internal Audit Committee and management reports, methodology and procedure documents, annual plans, risk assessments, audit work papers and reports, performance metrics, customer surveys, and other relevant information.

During the period covered by this Report, IA informed us that they did not issue any individual audit reports that stated the audit was conducted in accordance with GAGAS. As such, certain GAGAS related to audit execution and reporting were not assessed.

This Executive Summary provides a high level summary of our observations and recommendations. Additional details were provided to the Chief Audit Executive ("CAE").

Executive Summary (continued)

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2000	The chief audit executive must effectively manage the internal audit activity to ensure it adds value to the organization.	Generally Conforms
2100	The internal audit activity must evaluate and contribute to the improvement of governance, risk management, and control processes using a systematic and disciplined approach.	Generally Conforms
2200	Internal auditors must develop and document a plan for each engagement, including the engagement's objectives, scope, timing, and resource allocations.	Generally Conforms
2300	Internal auditors must identify, analyze, evaluate and document sufficient information to achieve the engagement's objectives.	Generally Conforms
2400	Internal auditors must communicate the results of engagements.	Generally Conforms
2500	The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.	Generally Conforms
2600	When the chief audit executive concludes that management has accepted a level of risk that may be unacceptable to the organization, the chief audit executive must discuss the matter with senior management. If the chief audit executive determines that the matter has not been resolved, the chief audit executive must communicate the matter to the board.	Generally Conforms

"Generally Conforms" means the IA activity has practices that are in accordance with the IIA Standards, although opportunities for enhancement may exist. "Generally Conforms" is the highest ranking possible.

Executive Summary *(continued)*

Assessment of standards and requirements

Below is a summary of our observations of IA's adherence with IIA Standards, GAGAS and the relevant TIAA requirements. Additional details of observations or recommendations were provided to the CAE.

IIA Standards

Based on our work, overall IA generally conforms. We did identify process enhancement opportunities.

GAGAS

Our assessment of GAGAS was limited, based on IA's disclosure that no internal audits were performed during our assessment period under GAGAS. Based on our work, we did not identify conformance observations. We did identify process enhancement opportunities.

TIAA requirements

Other than the observations related to IIA Standards and GAGAS, no other observations were identified during our work.

Executive Summary *(continued)*

Summary of internal audit leading practices benchmarking results

We utilized PwC's Internal Audit Framework, comprised of five major categories, to assess the current state of IA. The analysis was based on stakeholder interviews, surveys, IA documentation, and a comparison with our internal audit leading practices database.

We have broken out each of the five categories into sub-categories and provided the following details to the CAE:
- Overview of common benchmark attributes (not UT Pan American specific);
- Areas of strength;
- Recommendations related to IIA Standards, GAGAS, and TIAA requirements; and
- Leading practice recommendations.

A summary of IA's performance against leading practices is illustrated to the right. This current state assessment benchmarked IA's operations and activities against internal audit leading practices as of May 9, 2014, when fieldwork was substantially completed.

Some elements of these observations are included in planned UT System-wide initiatives and are identified throughout this report with this symbol: ⬌
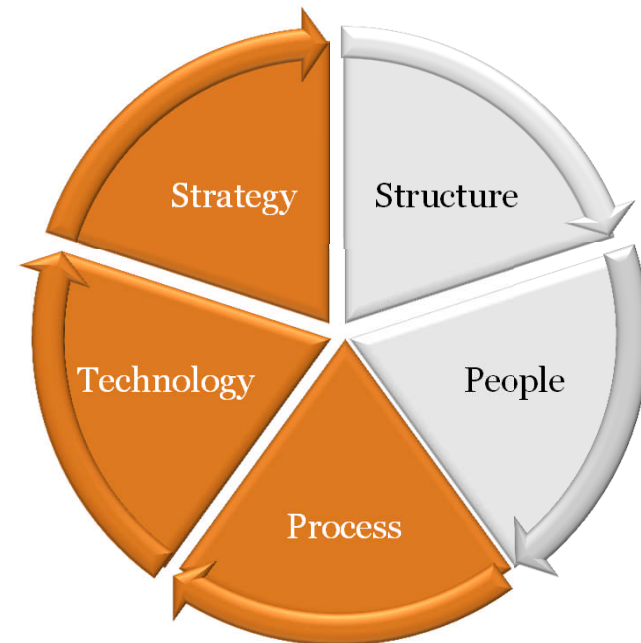
Legend:

Limited opportunities for enhancement
Moderate opportunities for enhancement
Significant opportunities for enhancement

Executive Summary *(continued)*

Positive attributes and/or demonstrated leading practices

The following is a summary of positive attributes and/or leading practices demonstrated by the IA function. More detailed information was provided to the CAE.

Strategy

- **Strategic Risk Assessment** - IA is collaborating with the CAE at UT Brownsville (UTB) and the UT Systems Audit Office to proactively perform a risk assessment over the upcoming merger with UTB to identify and assess emerging risks related to the merger.
- **Risk Assessment Input** - IA's risk assessment process includes coordination with key institution functions to provide a holistic view of risk.

Structure

- **Leadership Involvement** - IA participates in executive sessions regarding key strategies and initiatives and this information is considered input to the risk assessment and updates to the audit plan.
- **Relationships** – IA has a collaborative relationship with key stakeholders through regular touch points.

People

- **Training** – The CAE tracks and analyzes training taken by audit staff to identify areas of strength and gaps in knowledge.
- **Certification of IA Function** – IA Staff are experienced and hold multiple certifications. Certifications are required in order to advance to the manager level.

Process

- **Methodology and Execution** - IA documents procedures performed and workpapers are standardized to drive consistency on each audit.
- **Issue Tracking** - IA has a well-defined process around issue tracking, follow-up and reporting to the Internal Audit Committee.

Executive Summary *(continued)*

Opportunities for enhancement and leading practice recommendations

The following is a summary of the top recommendations identified in this external quality assessment of the IA function. More detailed information was provided to the CAE.

Organizational Reporting Relationships *(Strategy)*	• The CAE should consider updating the Internal Audit Charter to better reflect the new external Audit Committee structure and reporting relationship. ⬌
IA Strategic Plan and Alignment *(Strategy)*	• As the institution formalizes its new establishment of UT Rio Grande Valley (UTRGV), IA should consider developing a longer term strategic plan identifying strategies and tactical initiatives that will allow IA to align with the changing risk profile of the new institution. • IA should consider specifically linking the institution's strategic priorities to the risk assessment and audit planning process.
Stakeholder Communication *(Strategy)*	• The Internal Audit function should consider developing a structured communication program below the VP level whereby designated internal audit personnel have regular meetings with management to discuss current issues, changes, risks and to share best practices encountered within different areas of the business. This will be particularly important over the next year as there will be significant and constant change with the upcoming merger and open and continuous dialog with management at all levels should help identify risks and issues more timely.

Executive Summary (continued)

Opportunities for enhancement and leading practice recommendations (continued)

Specialized Expertise *(Structure)*	• IA could further benefit from utilizing additional specialized subject matter expertise for certain risk areas to keep up with changes both within UTPA (e.g., merger /integration risks, new medical school, upcoming Peoplesoft implementation) and within the technical and regulatory environment (e.g., cyber security, Title IX, research, Clery Act, etc.).
Staffing Model & Mix (People)	• IA should continue utilizing student interns, guest auditors or other temporary staffing strategies to supplement its current team for more routine audits (e.g., change in management audits). This would allow IA to focus on more strategic and emerging risk areas.
Audit Engagement Documentation (Process)	• IA should consider formalizing a process to document discussions of fraud risk within the risk assessment specific to the audit engagement.
Audit Report Opinions (Process)	• IA should articulate the potential and actual risk exposure associated with each finding to help readers understand the significance of each finding. ⬌ • IA should consider prioritizing findings or overall report based on risk exposure and pre-defined criteria. ⬌

Information contained herein is for the sole benefit and use of PwC's Client

⬌ UTS Coordination

Executive Summary *(continued)*

Opportunities for enhancement and leading practice recommendations (continued)

Internal Audit Committee Reporting & Presentation *(Process)*	• The CAE should consider developing a plan to further educate new external Audit Committee members broadly on the inherent risks associated with the higher education industry and specifically on the current and emerging risks facing the institution. This could be accomplished through education sessions with external members and would allow for more robust dialog during the formal Audit Committee sessions. • IA should consider incorporating visual reporting and other executive information (systemic control themes, underlying root causes, impact and probability of risk, forward views of risks, etc.) into its Audit Committee presentations.
Data Analytics & TeamMate *(Technology)*	• IA should consider developing a strategy and tactical plan to expand its use of data analytics during risk assessment and audit execution activities to enhance the effectiveness and efficiency of its audits. In addition, the strategy and plan should consider teaming with business owners to develop continuous monitoring capabilities for certain high transactional volume business processes (e.g., Procard, accounts payable) and shift monitoring responsibilities to the business. ⟷ • IA should consider utilizing other functions/modules of TeamMate (e.g., TeamSchedule, TeamRisk, TeamCentral, and TeamMate TEC) to help automate auditing processes and further drive audit efficiency and effectiveness.
Knowledge Management and Sharing (Technology)	• IA could benefit from enhanced sharing of training programs, audit programs, risk analysis, data analysis techniques, etc., and by leveraging the System Audit Office's recently developed knowledge sharing platform. ⟷ • In addition, we recommend that IA should develop a program to identify and facilitate sharing of best practices with management across Departments or functional areas of the institution.

SECTION V
Internal Audit Plan for Fiscal Year 2017

The University of Texas RioGrandeValley

Brownsville • Edinburg • Harlingen

Office of Audits and Consulting Services

FISCAL YEAR 2017
AUDIT PLAN

Approved by: Internal Audit Commitee
Date: July 15, 2016

THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY
OFFICE OF AUDITS AND CONSULTING SERVICES
FISCAL YEAR 2017 AUDIT PLAN

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BACKGROUND

In 2013, the Texas Legislature passed *Senate Bill 24* creating a new institution in South Texas, The University of Texas Rio Grande Valley (UTRGV).   UTRGV enrolled its first class in the fall of 2015. Also, in July of 2016, UTRGV opened its doors to the very first School of Medicine in the Rio Grande Valley by welcoming its inaugural class of 55 students.   The new university will transform the region, the State of Texas and the nation by becoming a leader in student success, teaching, research, and health care

In accordance with the Texas Internal Auditing Act (Article 6252-5d, Tex. Rev. Civ. Stat. Ann.), The University of Texas System Administration Policy 129, The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing, Standard 2010 – Planning,* and Generally Accepted Government Auditing Standards, a formal Audit Plan has been prepared for fiscal year (FY) 2017. This Audit Plan allows the chief audit executive to carry out the responsibility of the Office of Audits & Consulting Services. The Office of Audits & Consulting Services is responsible for providing the president with information about the adequacy and effectiveness of the institution's system of internal administrative and accounting controls and the quality of operating performance when compared with established standards. Therefore, the overall objective was to develop a standardized Audit Plan which addresses the highest risks of UTRGV.

The Audit Plan is based on risk assessments performed, management input and available current audit resources. Input to the annual plan was requested from the president and executive management. In addition, major goals and institutional priorities were reviewed to identify those areas where value-added audit services could be provided. The methodology used in assessing risk is discussed below.

Since UTRGV is audited by the Texas State Auditor's Office, the Texas State Comptroller's Office and The University of Texas System Audit Office, we will coordinate our audit work to eliminate any duplication of effort. Consequently, we may limit or supplement our work as deemed necessary. Additionally, due to changing circumstances, any additions or deletions to the FY 2017 Audit Plan will be communicated to, and approved by, the UTRGV Internal Audit Committee.

AUDIT UNIVERSE AND RISK ASSESSMENT METHODOLOGY

The plan **(Appendix A)** is prepared using a risk-based approach to ensure that areas and activities specific to UT Rio Grande Valley with the greatest risk are identified for audit consideration.

**THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY
OFFICE OF AUDITS & CONSULTING SERVICES
FISCAL YEAR 2017 AUDIT PLAN**

As part of the FY 2017 Audit Plan process, a risk assessment approach based on a top-down process that included conversations and requests for input with risk collaborators, executives, and managers from the various operating areas on campus was conducted. The goals for this risk assessment approach were to start at the top with an awareness of critical initiatives and objectives to ensure the risks assessed were the most relevant. The assessment process was standardized by creating common terms and criteria, enabling trending of risks and System wide comparisons. An emphasis was placed on collaboration with other functions that assess, handle, or manage risk such as Institutional Compliance and the Legal Office.

We developed a Risk List **(Appendix B)** through evaluation of the twenty (20) major processes applicable to UTRGV. Those twenty processes were as follows:

1. Governance
2. Finance
3. Information Technology
4. Research
5. Human Resources
6. Facilities Management
7. Property Management
8. Purchasing/Supply Chain
9. Legal
10. Risk Management
11. Public Services
12. Auxiliary Services
13. University Relations
14. University Development
15. Enrollment Management
16. Student Services
17. Academic Support
18. Instruction
19. Medical Practice Plan
20. Medical Professions School

For all critical (red) risks identified on the risk list, either an audit or project is included in the Annual Audit Plan **(Appendix A)** or an explanation/mitigation strategy has been provided on the risk list.

The 84th Legislature passed *Senate Bill 20* which requires consideration of risks related to contract management, procurement contracting, sole source agreements and procurement functions. These risks were considered in our risk assessment process described above.

SCOPE OF AUDITS

The Standards for the Professional Practice of Internal Auditing addresses the engagement scope of work as follows:

"The established scope must be sufficient to achieve the objectives of the engagement.
2220.A1 – The scope of the engagement must include consideration of relevant systems, records, personnel, and physical properties, including those under the control of third parties.
2220.A2 – If significant consulting opportunities arise during an assurance engagement, a specific written understanding as to the objectives, scope, respective responsibilities, and other expectations should be reached and the results of the consulting engagement communicated in accordance with consulting standards.
2220.C1 – In performing consulting engagements, internal auditors must ensure that the scope of the engagement is sufficient to address the agreed-upon objectives. If internal auditors develop reservations about the scope during the engagement, these reservations must be discussed with the client to determine whether to continue with the engagement.
2220.C2 – During consulting engagements, internal auditors must address controls consistent with the engagement's objectives and be alert to significant control issues."

The planned scope of each of the audits is described in **Appendix A.**

Risk Based Audits

The risk assessment process identified areas that are critical or high risk to UTRGV, resulting in audits or projects. A few of those audits include Minors on Campus, the Child Development Center, the Clery Act, the School of Medicine's Clinical Operations and Effort Reporting.

Required Audits (Externally and Internally)

The UT System Board of Regents approved an independent CPA firm to conduct the FY 2016 UT System-wide Financial Audit. Interim procedures will be conducted during the months of July and August of 2016, and year-end procedures will be conducted in October and November of 2016. The NCAA Agreed-Upon Procedures is an annual requirement in accordance with NCAA regulations and is conducted in November and December. An audit of Texas Administrative Code, Chapter 202 Information Security Standards will be conducted to determine UTRGV's compliance. In addition, a travel and entertainment expenses audit will be conducted on key executive management. The Texas Higher Education Coordinating Board awarded an operational grant to the McAllen Family Practice Residency Program and an audit will be conducted to determine that funds were utilized based on specific guidelines.

In accordance with the Texas Education Code *§51.9337(h)* – "The chief auditor of an institution of higher education shall annually assess whether the institution has adopted the rules and policies required by this section and shall submit a report of findings to the state auditor." This compliance assessment will be conducted in October 2016 and the certification will be included in the Annual Audit Report to the State Auditor's Office.

Consulting Projects

As the transition continues for UTRGV, we have included consulting engagements related to the new medical school, business processes, and the PeopleSoft implementation. The specific objectives will be determined at a later date.

Investigations

Hours have been reserved for any investigations that may arise during the year.

Follow up

Professional standards require that follow-up audits be conducted to ensure that management has taken corrective action on previously reported findings. Reporting to The UT System Audit Office on the status of implementation of the recommendations associated with issues considered priority to the institution will continue to be reported quarterly via an online system. Follow-up on all other recommendations will be conducted.

General Reserve

Hours included in this section have been reserved for engagements that may arise during the fiscal year and will be captured in the following categories: financial, operational, and special requests.

Development-Operations

For the Operations section, it includes activities necessary to conduct the internal audit function and serve management and governance such as hours allocated for attending meetings of various administrative and non-academic committees and councils. It also includes hours to prepare for a quality assurance review to be conducted on the Office of Audits & Consulting Services.

Development-Initiatives and Education

For the Initiatives & Education section, it includes activities that improve the capacity of the internal audit function and/or its internal leadership and staff.

BUDGET AND STAFFING

The budget for this Audit Plan was prepared in accordance with the *FY 2017 UT System Annual Audit Plan Guidelines*. The Office is budgeted for eight (8) auditors. The internal audit staff consists of highly qualified and skilled audit professionals with 88% (7 out of 8) certified. The chief audit executive (CAE) reports directly to the chief audit executive of the UT System Audit Office and indirectly to the University president. The CAE is a Certified Public Accountant (CPA), Certified Internal Auditor (CIA), and a Certified Information Systems Auditor (CISA). The director has twenty three (23) years of experience as an auditor and director, and is a CIA and a Certified Government Auditing Professional (CGAP). The assistant director has seventeen (17) years of University experience and is a CIA, CGAP, and a Certified Fraud Examiner. Three senior staff auditors have many years of auditing experience and two are CIAs, two are CPAs, and one is a CGAP. Our senior IT auditor is a CISA.

Career development for the staff is a strategic goal of the Office of Audits & Consulting Services, and it is the CAE's practice to create a working environment that facilitates career opportunities for the audit staff within and outside the office. Currently, a staff auditor is pursuing professional certification. The CAE continues to seek low cost training for its staff and provides them with the opportunity to perform a wide range of audit activities, and provide exposure to high levels of management.

CALCULATION OF FY 2017 AUDIT HOURS

The number of audit hours available for FY 2017 was calculated using 2,080 hours per auditor. There are 8.0 budgeted audit positions for the fiscal year. The Office of Audits & Consulting Services has budgeted half (50%) an FTE for a vacant audit position during the fiscal year based on prior history. Current market conditions for hiring audit personnel may further increase these hours. Estimated hours associated with administrative tasks, holidays, training, and other types of leave were deducted to arrive at the available hours for audits and special projects. The Audit Plan includes **11,454** hours for audits, consulting and development by the audit staff and management. The FY 2017 Budget Hours is included in **Appendix C**.

APPROVAL OF THE AUDIT PLAN

The Audit Plan is reviewed and approved as follows:

- The UT System Audit Office – Audit plan presented on July 6, 2016.
- The UTRGV Audit Committee – Audit plan approved on July 15, 2016.
- The UT System Board of Regents – Audit plan provided in August of 2016.

FY 2017 Audit Plan Engagements	Original Budget	Percent of Total	Primary Taxonomy	Specialty Audit Used	General Objective/Description
Risk Based Audits					
Role-Based Systems Access	500		3.2.1. System Access	Information Technology	Determine whether access to critical ERP systems is appropriate and monitored by data owners.
Clery Act	300		12.5.1. Campus Security		Determine whether Campus Security Authorities have been identified and properly trained in their responsibilities.
Child Development Center	300		12. Auxiliary Services		Evaluate adherence to state regulations and accrediting standards.
Effort Reporting	400		4.1.4. Time & Effort Reporting		Evaluate compliance with federal effort reporting guidelines.
CARA Center Grants	500		4.1.1. Research Institutes/Centers		Review CARA Center operations
Student Accessibility Services	400		16.2.Disability & Counseling Services		Evaluate compliance with ADA requirements
Employee Leave	200		5.1. Benefits	Data Analytics	Analytical procedures to review employee leave.
Minors on Campus	200		12.5.1. Campus Security		Evaluate compliance with rules and regulations related to minors on campus.
School of Medicine Clinical Operations	400		20. Revenue Cycle related to medical services		To provide assurance services of internal controls over the clinical revenue cycle.
NCAA Compliance - Recruiting	400		12.10.2. Recruitment		Evaluate whether policies and procedures are effective in complying with NCAA Bylaws over student athlete recruitment.
Risk Based Audits Subtotal	**3600**	**31.4%**			
Required Audits (Externally and Internally)					
FY 2016 Financial Statement Audit - Final Procedures	200		2.1.1. Annual Financial Report		Required assistance to Deloitte (1st Quarter FY 17) on the FY 16 UT System wide Annual Financial Report audit.
UTS 142.1 Certifications	100		2.1. Financial Reporting		Perform audit work regarding account reconciliation, segregation of duties and other areas as required by UTS 142.1.
McAllen Family Practice Residency Program Operational Grant	100		4.1.6. Post-award		Assess whether revenues, expenditures and unexpended fund balance were reported accurately in the AFR and were utilized in accordance with THECB guidelines for funding operational and optional rotation programs.
THECB Facilities Audit	100		6. Facilities Management		Conduct Facilities Development Projects audit in accordance with THECB guidelines concurrently with the peer review team (PRT) audit. PRT scheduled to be conducted Feb. 15-16, 2017.
Texas Administrative Code (TAC) 202	500		3.8.6. Regulatory Compliance (TAC202, PCI, HIPAA/HITECH,	Information Technology	Perform an audit of information security standards to ensure compliance with TAC 202
NCAA Agreed Upon Procedures	600		12.10. Athletics		Perform the required annual NCAA Agreed Upon Procedures - FY 2016.
Executive Travel and Entertainment	300		2.5. Travel and Entertainment		Audit of UTRGV Executive Management travel and entertainment expenses for FY 2016.
TEC 51.9337 Compliance Assessment	54		8. Purchasing/Supply Chain		Assess whether UTRGV has adopted the rules and policies required by TEC Code Section 51.9337 over procurement (Senate Bill 20).
State Auditor's Office - Statewide Single Audit	75		2.1. Financial Reporting		Assist State Auditor's Offfice with the Statewide Single Audit of the Student Financial Assistance Cluster and the Schedule of Expenditures of Federal Awards.

FY 2017 Audit Plan Engagements	Original Budget	Percent of Total	Primary Taxonomy	Specialty Audit Used	General Objective/Description
Required Audits Subtotal	**2029**	**17.7%**			
Consulting Projects					
PeopleSoft Implementation	500		3.6. Business Applications		To provide consulting support to the Peoplesoft implementation
School of Medicine	200		20. Revenue Cycle related to medical services		To provide consulting services to be determined at a later date.
Business Processes	300		2. Finance		Perform analysis of UTRGV's new business processes to ensure that they have appropriate internal controls and include best practices.
Quarterly Review of President's Travel & Entertainment	75		2.5. Travel and Entertainment		Provide consulting services to the President's Office on the accuracy of the President's Travel & Entertainment Expenses quarterly reporting submissions.
Consulting Subtotal	**1075**	**9.4%**			
Investigations					
Investigations	300				Reserve for investigations.
Investigations Subtotal	**300**	**2.6%**			
Follow Up					
Follow Up	300				Conduct follow up on previous audit recommendations.
Follow Up Subtotal	**300**	**2.6%**			
General Reserve					
Financial Reserve	250				Reserve to conduct audits, consulting, internal control reviews, and/or other assurance activities as requested from UTRGV management, UT System or other external sources
Operational Reserve	250				
Special Requests	250				
General Reserve Subtotal	**750**	**6.5%**			
Development - Operations					
UT System/SAO External Reporting	250				Reporting requests from System, State Auditor's Office, etc.
Annual Audit Plan and Risk Assessment	300				Conduct risk assessments capturing critical risks and prepare annual audit plan for FY 2018.
Internal Audit and other Committees	350				Conduct and prepare for Internal Audit Committee meetings and attend campus committees and other meetings with management.
Internal Audit Council Meetings	100				Attendance and presentations at UT System Internal Audit Council meetings.
Teammate and Audit Software	200				Maintain and upgrade the Teammate audit program libraries and templates and implement the other modules.
Management of Audit Activity	500				Staff meetings to discuss updates/status of multiple audit projects, includes travel time.

FY 2017 Audit Plan Engagements	Original Budget	Percent of Total	Primary Taxonomy	Specialty Audit Used	General Objective/Description
Quality Assurance Review	250				Prepare for QAR
Development - Operations Subtotal	**1950**	**17.0%**			
Development - Initiatives and Education					
UT System Audit Office Initiatives	100				Staff's participation in System Audit Office Initiatives
Continuing Professional Education	600				Training for professional staff, includes travel time.
Assistance to other Departments	250				Assistance to other departments
Internal Audit Office Organization, Strategy and Transition	500				Continue establishment of UTRGV Internal Audit Office, including updating internal audit manual and procedures, and developing internal audit strategic plan.
Development - Initiatives and Education Subtotal	**1450**	**12.7%**			
Total Budgeted Hours	**11454**	**100.0%**			

11454

Institution area (optional)	Objective at Risk	Detailed Risk Description	Risk Probability	Risk Impact	Risk Score (CHML)	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
School of Medicine	GME - Revenue Reconciliation - Charges for resident provider services at affiliate hospitals are complete and accurate.	Cumbersome financial systems may hinder the ability to reconcile revenues for resident's services at affiliate hospitals. Inappropriate revenue collection procedures	High	High	Critical	22.1.2. Graduate Education	Yes	SOM-Clinical Operations	
School of Medicine	GME - Staffing - Staffing is adequate to ensure the success of the GME program and compliance with ACGME accreditation requirements.	Staffing in the GME Office and training and accountability of GME coordinators may not be adequate, which could affect the success of the GME program and accreditation.	High	High	Critical	22.1.2. Graduate Education	Yes	SOM-Clinical Operations	
Student Success	Ensuring a safe and welcoming campus and compliance with Title IX, the Clery Act, and the SaVE Act.	Risk to student safety and not adhering to rules and regulations	High	High	Critical	12.5.2. Crime Prevention	Yes	Clery Act Audit	FY 2016 Title IX Audit in progress
Strategic Enrollment	Restart PeopleSoft Campus Solution implementation - tentative go-live Fall 2018.	Potential negative impact on operations due to implementation	High	High	Critical	3.6.2. PeopleSoft - FMS	Yes	PeopleSoft Implementation	
Strategic Enrollment	Restart PeopleSoft Campus Solution implementation - tentative go-live Fall 2018.	Inadequate staffing levels for implementation	High	High	Critical	3.6.2. PeopleSoft - FMS	Yes	PeopleSoft Implementation	
Information Technology	Develop PeopleSoft pre-work (scoping, business processes mapping and best practice identification) for the PeopleSoft HR/Fin/SIS system implementations.	Inadequate staffing levels and insufficient monetary resources	High	High	Critical	3.6.2. PeopleSoft - FMS	Yes	PeopleSoft Implementation	
Information Technology	Safeguarding of confidential and sensitive information in accordance with rules and regulations	Security Breach that exposes personal information	High	High	Critical	3.8. Information Security Governance and Operations	Yes	TAC 202	
Research	To foster and support the creative activity; research and professional training; intellectual property development; promote national and international partnerships for innovation, commercialization, and workforce development.	Unable to attract and retain prestigious high performing research faculty and staff.	High	High	Critical	4. Research	No		Management is focused on this critical risk and is currently hiring and seeking staff
Research	To foster and support the creative activity; research and professional training; intellectual property development; promote national and international partnerships for innovation, commercialization, and workforce development.	Best practices in administrative processes are not developed and shared across campus.	High	High	Critical	4.1. Research Administration	Yes	Business Processes Consulting	
Research	To foster and support the creative activity; research and professional training; intellectual property development; promote national and international partnerships for innovation, commercialization, and workforce development.	The existing research, scholarship and creative capability is not expanded or enhanced on campus.	High	High	Critical	4.1.2. Pre-award & Award Acceptance	No	Follow Up	Follow-Up of Audit of the AVP Research which identified multiple areas of concern in OSP and Research Compliance
Research	To foster and support the creative activity; research and professional training; intellectual property development; promote national and international partnerships for innovation, commercialization, and workforce development.	Unable to grow and diversify extramural funding.	High	High	Critical	4.1.2. Pre-award & Award Acceptance	No	Follow Up	Nationwide search for Director of Sponsored Programs. Follow-Up of Audit of the AVP Research which identified multiple areas of concern in OSP and Research Compliance
Research	To foster and support the creative activity; research and professional training; intellectual property development; promote national and international partnerships for innovation, commercialization, and workforce development.	Research expenditures - Potential lack of controls and processes to ensure continued growth of the research enterprise;	High	High	Critical	4.1. Research Administration	Yes	Effort Reporting. CARA Center Grant	
Research	Enhance the quality, value and range of the university's research. Attain classification as an "Emerging Research Institution."	Contracts & Grants/OSP/Research Compliance: Roles not clarified; Lack of coordination and communication.	High	High	Critical	4.1.5. Accounting & Reporting	Yes	Follow Up	Follow-Up of Audit of the AVP Research which identified multiple areas of concern in OSP and Research Compliance
Research	Enhance the quality, value and range of the university's research. Attain classification as an "Emerging Research Institution."	1. Availability of accurate Oracle information 2. Payroll on research project does not reflect actual effort expended 3. Implementation of consolidated legacy ECRT information not fully tested	High	High	Critical	4.1.4. Time & Effort Reporting	Yes	Effort Reporting and Follow-up	Follow-Up of Audit of the AVP Research which identified multiple areas of concern in OSP and Research Compliance
Research	Providing sufficient research training so that students and researchers follow rules and are not harmed	Inadequate research training	High	High	Critical	4.1. Research Administration	No		Follow-Up of Audit of the AVP Research which identified multiple areas of concern in OSP and Research Compliance
Research	Organized Research Centers - Managing organized research centers	Loss of funding due to noncompliance with sponsor fund agreements due to lack of or limited oversight	High	High	Critical	4.1. Research Administration	Yes	Effort Reporting	
Safety (in general)	Compliance with federal regulations_Clery Act and Violence Against Women Act(VAWA)	Lack of the response due to lack of training.	High	High	Critical	12.5.1. Campus Security	Yes	Clery Act	FY 2016 Title IX Audit in progress
Safety (in general)	Compliance with federal regulations_Clery Act and Violence Against Women Act(VAWA)	Failure to effectively prevent, respond to and/or report campus-related sexual violence might lead to death or serious injury;	High	High	Critical	12.5.1. Campus Security	Yes	Clery Act	FY 2016 Title IX Audit in progress
Information Security	Ensure the security, integrity, confidentiality, and availability of information resources. To maintain oversight and control of the enterprise information security program of the University.	Electronic SSNs and other Personal Identifying Information (PII) may not be adequately isolated from unauthorized access	High	High	Critical	3.2.1. System Access	Yes	Role-Based Systems Access	
Information Security	Ensure the security, integrity, confidentiality, and availability of information resources. To maintain oversight and control of the enterprise information security program of the University.	Risk of using 3rd party storage providers--DROP BOX will result in inadequate security of potential confidential data	High	High	Critical	3.8.3. Data Stewardship/Ownership	No		IT Security Training and communications as well as OneDrive availability to faculty and Staff. New CISO hired.
Information Security	Ensure the security, integrity, confidentiality, and availability of information resources. To maintain oversight and control of the enterprise information security program of the University.	Adequate security controls are not maintained, leading to loss of confidential data, outside hacking, downloading of malware or unauthorized use	High	High	Critical	3.8.7. Information Security Operations	Yes	TAC 202	
Information Security	Ensure the security, integrity, confidentiality, and availability of information resources. To maintain oversight and control of the enterprise information security program of the University.	All laptops and other mobile devices are not encrypted	High	High	Critical	3.8.7. Information Security Operations	No		FY 2016 Audit of Asset Management. Audit procedures to include review of encryption processes for mobile devices

Institution area (optional)	Objective at Risk	Detailed Risk Description	Risk Probability	Risk Impact	Risk Score (CHML)	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
Information Security	Ensure the security, integrity, confidentiality, and availability of information resources. To maintain oversight and control of the enterprise information security program of the University.	Data owners are not aware or lack understanding of data classification standards and their role in classifying and ensuring their data is appropriately secure.	High	High	Critical	3.8.3. Data Stewardship/Ownership	Yes	Role-Based Systems Access and TAC 202	
Information Security	Comply with Applicable Laws, Regulations, etc.	Non-compliance with the Health Insurance Portability and Accountability Act (HIPAA).	High	High	Critical	3.8.6. Regulatory Compliance (TAC202, PCI, HIPAA/HITECH, FERPA, FISMA, etc.)	No		Compliance Office reviewing the HIPPA Training program
Information Security	Ensure the security, integrity, confidentiality, and availability of	Use of external storage devices will result in inadequate	High	High	Critical	3.8.3. Data	No		IT Security Training and
Child Development Center	Providing our university students, faculty and staff quality child-care services.	Loss of accreditation, not following rules and regulations	Moderate	High	High	12. Auxiliary Services	Yes	Child Development Center	
School of Medicine	Establish processes in our Practice Plans for effective coordination and integration of care for our patients with our institutional and hospital partners.	Operating below capacity at the clinics creating loss of revenue	High	Moderate	High	19.10. Clinics	Yes	SOM-Clinical Operations	
School of Medicine	Establish processes in our Practice Plans for effective coordination and integration of care for our patients with our institutional and hospital partners.	Med Billing/Charge Delays inefficient or nonexistent processes	High	Moderate	High	20. Revenue Cycle related to medical services	Yes	SOM-Clinical Operations	
School of Medicine	Establish processes in our Practice Plans for effective coordination and integration of care for our patients with our institutional and hospital partners.	Revenue Cycle - A/R actual collections vs target increases likelihood of uncollectibility.	High	Moderate	High	20. Revenue Cycle related to medical services	Yes	SOM-Clinical Operations	
School of Medicine	Strengthen the social, economic and environmental well-being of Valley citizens, communities, organizations and governments through community outreach and reciprocal partnerships.	The local need for any given academic program within the community health and health professions arena is constantly changing, influenced by external factors beyond the institution's control, and has yet to be fully identified.	Moderate	High	High	18.7.Degree Program Development	No		Management is aware of risk. Will reassess with the hire of new dean.
School of Medicine	Prepare graduates to compete nationally and globally through high-quality graduate degree programs in the medical sciences and selected professional programs.	Unprepared students due to low quality programs	Moderate	High	High	18.7.Degree Program Development	No		QMACS and Compliance Office has identified risk and has brought to the attention of management.
School of Medicine	Establish the clinical practice.	UTRGV brand may not be well known resulting in the inability to attract eminent faculty and difficulty setting up clinical practices	Moderate	High	High	19.1.Accreditation and Attestation	No		Management is aware of risk. Will reassess with the hire of new dean.
School of Medicine	Create new knowledge through basic and applied research, scholarship and humanities in strategic areas relevant to the Rio Grande Valley of Texas, and its role in the wider world.	Monitor compliance with patient privacy.	Moderate	High	High	19.2.Risk Management	No		Compliance and Legal are working with management to address the risk.
School of Medicine	Theme 1-Learning-Physician Credentialing / Licensure	Failure to monitor and confirm credentials and licensure	Moderate	High	High	19.5.1. Credentialing	No		PWC is involved with medical faculty hiring
School of Medicine	Theme 1-Learning-Physician Recruitment/Staffing (Faculty/Trainees)	Failure to conduct comprehensive background check	Moderate	High	High	19.5.2. Recruitment and Staffing	No		Process change due to backlog and other requirements specific to SOM. SOM personnel conducting background checks.
School of Medicine	Theme 1-Learning-Physician Recruitment/Staffing (Faculty/Trainees)	Lack of documentation to support hiring decision	Moderate	High	High	19.5.2. Recruitment and Staffing	No		PWC is involved with medical faculty hiring
Student Success	Supporting academic preparedness, performance and progress.	Student advising, course selection, and degree planning tools are not effective resulting in delayed graduation	Moderate	High	High	15.2.Enrollment and Registration	No		Management is aware of risk and is addressing it.
Student Success	Supporting academic preparedness, performance and progress.	Not being able to offer enough classes to support student progress	Moderate	High	High	15.2.Enrollment and Registration	No		Management is aware of risk and is addressing it and adding more classes.
Student Success	Providing a safe environment on campus for minors in both short term and long-term programs.	Safety of minors; noncompliance with state and federal rules and regulations	Moderate	High	High	12.5.1. Campus Security	Yes	Minors on Campus	
Student Success	Providing a welcoming and accessible campus for individuals with disabilities in compliance with ADA rules and regulations.	Risk to safety and academic progress for individuals with disabilities; not complying with ADA rules and regulations	Moderate	High	High	16. Student Services	Yes	Student Accessibility Services	
Student Success	Appropriately tracking and processing Veterans educational benefits to support their academic progress.	Not appropriately applying benefits; noncompliance with federal rules and regulations; negatively impacting academic progress and financial stability of student Veterans	Moderate	High	High	16. Student Services	No		Compliance Office is addressing this risk.
Strategic Enrollment	Implement new Communication Relationship Management System (CRM).	Potential of not receiving funds needed for implementation, Effect on recruitment due to the reliance on the CRM software	Moderate	High	High	3.6.3. Student Records System (Banner)	No		Management is aware of risk and addressing it through the budgetary process.
Strategic Enrollment	Delivery of student services-Call Center	Not being able to service students, negative reputation for poor student service	Moderate	High	High	16. Student Services	No		Management is aware of risk and addressing it.
Information Technology	Ensure continuity of Information Technology Systems and Services	Inability to attract and retain staff due to budgetary constraints	Moderate	High	High	3.2. IT Operations	No		Management is aware of risk and addressing it through the budgetary process. Will reassess at a later date for IT Governance.
Information Technology	Ensure continuity of Information Technology Systems and Services	Critical third party systems do not function due to inadequate change management process	Moderate	High	High	3.2. IT Operations	Yes	PeopleSoft Implementation	
Athletics	To maintain a comprehensive compliance program that fosters an environment of integrity	Risk of noncompliance with NCAA rules and regulations	Moderate	High	High	12.10. Athletics	Yes	Recruitment & Eligibility	
Athletics	Increase financial support of Intercollegiate Athletics from the public.	Not being able to obtain increased funding	Moderate	High	High	12.10. Athletics	No		Management is working on increased ticket sales, corporate sales, annual giving and licensing. Additionally, they are working on a plan to address this item.

Institution area (optional)	Objective at Risk	Detailed Risk Description	Risk Probability	Risk Impact	Risk Score (CHML)	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
Research	To foster and support the creative activity; research and professional training; intellectual property development; promote national and international partnerships for innovation, commercialization, and workforce development.	Conflicts of Interests occur that do not support the achievement of organizational goals.	Moderate	High	High	4.4.2. Conflict of Interest	No		Compliance will address risk.
Research	To foster and support the creative activity; research and professional training; intellectual property development; promote national and international partnerships for innovation, commercialization, and workforce development.	Growth of campus and faculty will bring more risks with select agents, biosafety hazards, federal oversight	Moderate	High	High	4.2. Biosafety	No		Compliance will address risk.
Research	To foster and support the creative activity; research and professional training; intellectual property development; promote national and international partnerships for innovation, commercialization, and workforce development.	Export Controls noncompliance could result in loss of federal funding	Moderate	High	High	4.4.1. Export Controls	No		Compliance will address risk.
Research	To foster and support the creative activity; research and professional training; intellectual property development; promote national and international partnerships for innovation, commercialization, and workforce development.	Ability to comply with numerous federal and state laws and new legislative initiatives	Moderate	High	High	4.4. Research Compliance	No	Follow Up	Follow-Up of Audit of the AVP Research which identified multiple areas of concern in OSP and Research Compliance
Research	Ensure a safe campus for faculty, staff, students and visitors.	Hazardous materials are not stored or disposed of properly.	Moderate	High	High	4.2. Biosafety	No		Compliance will address risk.
Safety (in general)	Compliance with federal regulations_Clery Act and Violence Against Women Act(VAWA)	Risk that Policies don't exist	Moderate	High	High	12.5.1. Campus Security	Yes	Clery Act Audit	
Police	Protects and serves the campus community of students, faculty, staff and visitors	Inability to effectively monitor potential threats or criminal activity due to few security cameras inside of buildings	Moderate	High	High	12.5.1. Campus Security	No		Management is aware and addressing it.
Police	Protects and serves the campus community of students, faculty, staff and visitors	No campus-wide public indoor public address (PA) system that would allow for verbal messages / instructions to be communicated due to an active shooter situation, severe weather alert, or some other emergency	Moderate	High	High	12.5.1. Campus Security	No		New Notification/Alert System purchased.
Police	Protects and serves the campus community of students, faculty, staff and visitors	Injury to students or faculty due to science labs and art studios are not maintained or used in a safe manner	Moderate	High	High	10.4.Environmental Health and Safety	No		Compliance monitors compliance with lab safety risks
Safety (in general)	Protects and serves the campus community of students, faculty, staff and visitors	Possible physical harm to the public during Special Events	Moderate	High	High	10.3.Emergency Preparedness	No		Training conducted
EH&S	Ensure employees and students are adequately trained and are using labs safely	Safety policies are not followed related to training, posting of emergency contact information, personal protective equipment, emergency eyewash and shower stations, operational fume hoods, storage and disposal of hazardous materials, and chemical inventories.	Moderate	High	High	10.4.Environmental Health and Safety	No		Compliance monitors this risk.
EH&S	Ensure campus safety related to hazardous chemicals and equipment.	Failure to properly manage storage and disposal of hazardous materials, and chemical inventories causing possible physical harm to employees, students, and public	Moderate	High	High	10.4.Environmental Health and Safety	No		Compliance monitors this risk.
EH&S	Provide safe campus housing with monitored fire alarm and suppression systems	Failure to train housing employees and monitor fire and safety equipment, control valves, mold, etc. which could result in injury/death to residents	Moderate	High	High	10.4.Environmental Health and Safety	No		Compliance monitors this risk and training
EH&S	Ensure campus safety during emergencies	Emergency mitigation measures, response procedures, and training of staff are not current or have not been implemented	Moderate	High	High	10.3.Emergency Preparedness	No		Management is aware of risk and addressing it.
Information Security	Ensure the security, integrity, confidentiality, and availability of information resources. To maintain oversight and control of the enterprise information security program of the University.	Use of personal email boxes for University business threatens the integrity of the records retention schedule; Information Security reasons	Moderate	High	High	3.8.3. Data Stewardship/Ownership	No		Management is aware of risk and addressing it. New CISO hired.
Information Security	Ensure the security, integrity, confidentiality, and availability of information resources. To maintain oversight and control of the enterprise information security program of the University.	Failure to create and maintain sufficient and current policies and standards to protect the confidentiality, integrity, and availability of institutional data and IT can cause users to not follow legal and regulatory requirements regarding IT systems and university data	Moderate	High	High	3.8.7. Information Security Operations	Yes	TAC 202	
Human Resources	Provide best customer service, improve departmental process, Provide recruitment, training, salary administration, HRIS, immigration compliance, benefits administration and employee relations in a timely and customer driven manner	Failure to properly administer/monitor leave options for employees (holidays, vacation, sick, FMLA, Compensatory) may result in abuse by employees	Moderate	High	High	5.1. Benefits	Yes	Employee Leave	
Finance & Public Policy	Provide innovative and dynamic processes to maximize opportunity and mitigate the business challenges of a distributed campus.	Financial information is not available or accurate to make important financial decisions	Low	High	Moderate	2.1. Financial Reporting	Yes	FY16 Financial Statement Audit	
Planning & Analysis	To assist university with optimizing institutional funding allocations.	Funds are not available for strategic initiatives.	Moderate	Moderate	Moderate	2.6. Budgeting /Decision Support	No		
Child Development Center	Providing our university students, faculty and staff quality child-care services.	Risk of injury/death of children	Low	High	Moderate	12. Auxiliary Services	No		
Campus Facilities Operations	Ensures that all buildings and operating systems are in optimum condition to make the campus a comfortable, safe, and attractive place to learn, live, and work.	Facilities are not maintained - Vivarium	Low	High	Moderate	6. Facilities Management	No		
Campus Facilities Operations	Ensures that all buildings and operating systems are in optimum condition to make the campus a comfortable, safe, and attractive place to learn, live, and work.	Facilities not maintained - leased facilities	Moderate	Moderate	Moderate	6. Facilities Management	No		

Institution area (optional)	Objective at Risk	Detailed Risk Description	Risk Probability	Risk Impact	Risk Score (CHML)	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
School of Medicine	Focus our health care on the priority needs of the community and society, and develop service lines with institutional and hospital partners to enhance the quality and delivery of specialty care.	Not setting up avenues to provide care and not providing and society.	Moderate	Moderate	Moderate	20. Revenue Cycle related to medical services	No		
School of Medicine	Use technology to improve patient care, reduce errors and improve quality of care. CHANCELLOR'S FRAMEWORK: Pursue systems engineering initiatives and research to improve patient safety, quality and efficiency of care.	Management of quality and patient safety at UT Medicine is decentralized.	High	Low	Moderate	19.3.Quality	No		
School of Medicine	Recruit and retain high-performance faculty and staff	Risk that processes may not be in place which are needed in the areas of onboarding faculty, aligning their skillsets with institutional needs, and establishing goals for them by department in all aspects of their work (e.g. clinical productivity, research, and academics).	Moderate	Moderate	Moderate	19.5.2. Recruitment and Staffing	No		
School of Medicine	Grow the academic mission.	Existing and planned off site residency programs bring unique financial, program development, and oversight challenges. Risk of insufficient faculty and staff to grow the academic programs	Moderate	Moderate	Moderate	22.1.2. Graduate Education	No		
School of Medicine	Theme 1-Learning-Physician Recruitment/Staffing (Faculty/Trainees)	Failure to comply with institutional badging process	Moderate	Moderate	Moderate	19.5.2. Recruitment and Staffing	No		
School of Medicine	Theme 1-Learning-Physician Recruitment/Staffing (Faculty/Trainees)	Failure to consider legal/tax implications during contract negotiations	Moderate	Moderate	Moderate	19.5.2. Recruitment and Staffing	No		
School of Medicine	Faculty Compensation Plan - ensuring faculty compensation incentives appropriate behavior and performance to comply with new provider quality regulations	Clinical Incentive Plan may not be driving behavior and performance in the right direction (recording non-billable services) due to being volume driven instead of volume and quality driven.	Moderate	Moderate	Moderate	21. Practice Plan	No		
School of Medicine	Development of a quality GME program.	Difficulty creating/developing faculty development training program.	Moderate	Moderate	Moderate	22.1.2. Graduate Education	No		
School of Medicine	GME - Quality Monitoring - Appropriate quality measures are in place to evaluate resident performance.	Quality Measures may not be properly defined or monitored.	Moderate	Moderate	Moderate	22.1.2. Graduate Education	No		
Office of the Provost	Ensure excellence in all academic programs.	Inability to attract and retain quality faculty due to market and budgetary conditions	Moderate	Moderate	Moderate	18.3.Faculty Recruitment	No		
Office of the Provost	Need for funding for Library materials previously covered by HEAF.	Insufficient funding which would lead to inadequate resources for research, teaching and publishing	Moderate	Moderate	Moderate	17.1.Library Services	No		
Office of the Provost	Southern Association of Colleges and Schools Commission on Colleges reaffirmation.	Not obtaining reaffirmation, loss of accreditation	Low	High	Moderate	18.1.Accreditation	No		
Office of the Provost	Expansion of graduate programs.	Not being able to expand the programs	Low	High	Moderate	18.7.Degree Program Development	No		
Office of the Provost	Study Abroad	Student safety while studying abroad	Low	High	Moderate	18.5.International Programs	No		
Student Success	Supporting the critical response team to effectively support and intervene with students of concern.	Not being able to track and intervene with students of concern; risk to student safety	Low	High	Moderate	16. Student Services	No		
Strategic Enrollment	Award and disburse financial aid in a timely fashion.	Failure to award aid timely, awards to ineligible students, non-compliance with federal or state regulations	Low	High	Moderate	15.6.Financial Aid	No		
Information Technology	Develop the governance structure and process to align IT resources to strategic initiatives.	Lack of funding can result in insufficient resources to support the needs of the university.	Moderate	Moderate	Moderate	3.1. IT Leadership & Governance	No		
Information Technology	Develop PeopleSoft pre-work (scoping, business processes mapping and best practice identification) for the PeopleSoft HR/Fin/SIS system implementations.	Inadequate time to accomplish implementation based on all of the validation and system testing needed for the Academic and SOM processes and data	Low	High	Moderate	3.6.2. PeopleSoft - FMS	Yes	PeopleSoft Implementation	
Information Technology	Expand Interactive TV (smart classrooms) equipped classrooms. Increase the number of classrooms on campus capable of streaming classes, including adding McAllen Teaching Site and Rio Grande City.	Unable to meet market demand, failure to provide technologically advanced systems in classrooms, inadequate staffing levels, insufficient monetary resources	Moderate	Moderate	Moderate	3. Information Technology	No		
Athletics	Maintain a comprehensive academic support program for student-athletes that promotes graduation within four years.	Not identifying and helping at-risk student athletes	Moderate	Moderate	Moderate	12.10. Athletics	No		
Research	To foster and support the creative activity; research and professional training; intellectual property development; promote national and international partnerships for innovation, commercialization, and workforce development.	Little or no partnering and research collaboration with global corporations that have a Texas connection.	Moderate	Moderate	Moderate	4.1.7. Cooperative Agreements	No		
Research	To foster and support the creative activity; research and professional training; intellectual property development; promote national and international partnerships for innovation, commercialization, and workforce development.	Growth of technology transfer area with growth of researchers and facilities could result in increased risks of conflicts of interest, financial risks	Moderate	Moderate	Moderate	4.3. Publications & Intellectual Property	No		
Research	Managing human subject and animal research	Animal research facilities and procedures are not adequately overseen and monitored	Moderate	Moderate	Moderate	4.8. Animal Research Program	No		
Research	Controlling/reporting the use of donations for research purposes	Donations accepted for performing research without passing through the research record system may circumvent controls for conflicts of interest and reporting requirements	Moderate	Moderate	Moderate	4.1.5. Accounting & Reporting	No		
Research	Managing human subject and animal research	Not following regulations concerning both animal and human subjects	Moderate	Moderate	Moderate	4.8.4. Safety	No		

Institution area (optional)	Objective at Risk	Detailed Risk Description	Risk Probability	Risk Impact	Risk Score (CHML)	UT System Taxonomy	On the Plan? (if no, mitigating risks)	Audit Name	Risk Mitigation Notes
Research	Maintaining compliance with rules on using research resources	Misuse of research resources	Moderate	Moderate	Moderate	4.4. Research Compliance	No		
Research	Managing the reporting of scientific misconduct	Lack of or inadequate reporting	Moderate	Moderate	Moderate	4.4. Research Compliance	No		
Police	Protects and serves the campus community of students, faculty, staff and visitors	Inadequate protection of people and resources... Cameras and locks.	Low	High	Moderate	12.5.1. Campus Security	No		
Police	Protects and serves the campus community of students, faculty, staff and visitors	Inability to lock down buildings remotely in case of an "active shooter" situation or some other emergency, and to help prevent theft and vandalism	Low	High	Moderate	12.5.1. Campus Security	No		
Information Security	Ensure the security, integrity, confidentiality, and availability of information resources. To maintain oversight and control of the enterprise information security program of the University.	Inappropriate/unusual system activity is not properly investigated by departments and results are not reported to the ISO	High	Low	Moderate	3.8.13. Incident Response & Reporting	No		
Information Security	Ensure the security, integrity, confidentiality, and availability of information resources. To maintain oversight and control of the enterprise information security program of the University.	Institutional funding not sufficient to acquire and maintain staffing and tools to effectively reduce risk.	Moderate	Moderate	Moderate	3.8. Information Security Governance and Operations	No		
Information Security	Comply with Applicable Laws, Regulations, etc.	Non-compliance with Payment Card Industry Data Security Standards (PCI DSS)	Low	High	Moderate	3.8.6. Regulatory Compliance (TAC202, PCI, HIPAA/HITECH, FERPA, FISMA, etc.)	No		
Human Resources	Provide best customer service, improve departmental process, Provide recruitment, training, salary administration, HRIS, immigration compliance, benefits administration and employee relations in a timely and customer driven manner	Timely and accurate criminal background checks are not performed of prospective employees	Low	High	Moderate	5. Human Resources	No		
Facilities Planning & Operations	Plans, constructs, and maintains the physical assets (buildings, furnishings, and grounds) of the university that are essential to support an excellent learning environment for our students.	Not properly managing access to buildings (master keys, card access to buildings)				2.3. Debt Service			

Calculation of Available Hours

	CAE Director	Management Team	Staff	Total	%
Audit Hours*	1,552	3,104	6,798	**11,454**	76%
Non-Audit Hours:					
General Administration	200	400	532	1,132	8%
Holidays	128	256	544	928	6%
Vacation & Sick Leave	200	400	860	1,460	10%
Total Available Hours	2,080	4,160	8,734	14,974	100%

Note: Audit hours now include Training/CPE hours, which was a separate row under General Administration in past years.

	Total	Holiday	V/S Leave	GA	Projects
CAE	2080	128	200	200	1552
Director	2080	128	200	200	1552
Assistant Director	2080	128	200	200	1552
Senior Auditor II	2080	128	200	150	1602
Senior Auditor II	2080	128	200	150	1602
Senior IT Auditor	2080	128	200	150	1602
Senior Auditor I - Vacant	1560	96	160	113	1191
Auditor II	2080	128	200	150	1602
Less 50% estimated vacancy	(1040)	(64)	(100)	(75)	(801)
	15080	928	1460	1238	11454

open position	75%
estimated vacancy	50%

UTRGV has 8 FTE positions budgeted (gross) less 50% FTE vacancy (net 7)

SECTION VI
External Audit Services Procured in Fiscal Year 2016

EXTERNAL AUDIT SERVICES

Report Date	Type of Service	Objective
January 15, 2016	NCAA Agreed-Upon Procedures conducted by UT System Audit Office	Performed procedures to evaluate whether the Statement of Revenues and Expenses of UTPA's Department of Intercollegiate Athletics is in compliance with NCAA Bylaw 3.2.4.16 for FY 2015.
February 5, 2016	Deloitte and Touche performed an independent audit of UT Brownsville's financial statements.	UT Brownsville audit of the financial statements and related notes FY 2014 and FY 2013, to express an opinion on those financial statements.
March 10, 2016	UTRGV Presidential Expenditures for Travel and Entertainment conducted by UT System Audit Office	Evaluate whether travel and entertainment expenses paid on behalf of, and reimbursed to, the president was appropriate, accurate, and in compliance with applicable institutional polices and Board *Rules and Regulations* for the period December 1, 2013 – May 31, 2015.
March 2016	SAO Statewide Single Audit	Evaluate compliance with provisions of laws, regulations, contracts, and grants pertaining to federal awards. Evaluate financial information as part of CAFR for the State of Texas and the Schedule of Expenditures of Federal Awards for the year ending August 31, 2015.
April 7, 2016	Deloitte and Touche performed an independent audit of UT Brownsville's financial statements.	UT Brownsville audit of the financial statements and related notes for FY 2015 and FY 2014, to express an opinion on those financial statements.
April 7, 2016	Deloitte and Touche performed an independent audit of UT Pan American's financial statements.	UT Pan American audit of the financial statements and related notes for FY 2015 and FY 2014, to express an opinion on those financial statements.

SECTION VII
Reporting Suspected Fraud and Abuse

The University of Texas Rio Grande Valley
Reporting Fraud
Fiscal Year Ending August 31, 2016

Reporting Suspected Fraud and Abuse

To comply with the requirements of Section 7.09, Page IX-37, General Appropriations Act (84th Legislature, Conference Committee Report), a link for Fraud Reporting was created at The University of Texas Rio Grande Valley's website homepage http://www.utrgv.edu/en-us/

In addition, the UTRGV Office of Audits and Consulting Services has a link directly to the State Auditor's Office as follows:

> "To report suspected fraud, waste or abuse of state appropriated funds by UTRGV, please contact the Texas State Auditor's Office through the fraud hotline @ **1-800-TX-AUDIT (1-800-892-8348)** or online through the State Auditor's website @ http://sao.fraud.state.tx.us.

> In addition to reporting it to the Texas State Auditor's Office, please report it to the "UTRGV Anonymous Compliance Hotline @ **1-877-507-7320**."

The Institutional Compliance Office receives inquiries and allegations regarding a wide range of compliance issues including fraud and abuse, and the Office tracks investigations and any resulting actions through to completion.

The UTRGV Office of Audits and Consulting Services notifies the UT System Administration and the State Auditor's Office Investigations and Audit Support when investigations of fraud are conducted.