The University of Texas Rio Grande Valley

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ANNUAL INTERNAL AUDIT REPORT
FISCAL YEAR 2021

Office of Audits and Consulting Services

The University of Texas Rio Grande Valley

Brownsville • Edinburg • Harlingen

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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, 2021

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 websites. Accordingly, an entity should post its final audit plan and annual report on its internet website within 30 days after the audit plan and annual report are approved by an entity's governing board or chief executive. In accordance with Texas Government Code, Section 2102.01, submitting and posting the fiscal year 2022 Internal Audit Plan and fiscal year 2021 Internal Audit Annual Report is **due November 1, 2021.** 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 the link https://www.utrgv.edu/audits/tools-and-resources/index.htm. Internal Audit Plans are posted under the Office of Audits & Consulting Services' website link https://www.utrgv.edu/audits/tools-and-resources/index.htm. 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 Office of Audits & Consulting Services' website link https://www.utrgv.edu/audits/tools-and-resources/index.htm.

SECTION II
Internal Audit Plan for Fiscal Year 2021

The University of Texas Rio Grande Valley
Office of Audits & Consulting Services
Deviations from the UTRGV Audit Plan
Fiscal Year Ending August 31, 2021

Explanation of Deviations from Audit Plan

The FY 2021 Audit Plan Status Report indicates that the Office of Audits & Consulting Services did not complete all engagements on its budgeted audit plan. While not all audits/projects on the plan were completed, several engagements were in progress at year end and carried forward to the FY 2022 Audit Plan. In addition, other engagements that were not started during the fiscal year were reassessed during the annual audit plan development process and either added to the FY 2022 Audit Plan or dropped.

We adjusted the FY 2021 plan once during the year and received approval by the UTRGV Internal Audit Committee (IAC). The FY 2021 original plan was revised to include five carryforward projects that were not completed in FY 2020: Fixed Costs Contracts Audit, Banner System Access Audit, CARA Center Audit, Scholarships Consulting, and Enrollment Reporting Data Analysis. We also changed the CARES Act Audit to consulting engagements.

Refer to the FY 2021 Annual Audit Plan Status Report for details.

The University of Texas Rio Grande Valley
Audit Plan Status Report as of August 31, 2021

Engagement Name	Original Budget	Additions/ Deletions	Revised Budget	Actual Hours	Variance - Revised Budget to Actual	Percent of Total Revised Budget	Status as of August 31, 2021	Report/Memo Issued Date
Assurance Engagements								
FY 2020 Carryforward - Fixed Costs Contracts Audit	150.00	0.00	150.00	209.50	(59.50)		Draft Report - Mgmt Responses	-
FY 2020 Carryforward - Banner System Access Audit	100.00	0.00	100.00	251.00	(151.00)		Report Issued #20-AEN-04	5/6/2021
FY 2020 Carryforward - CARA Center Audit	0.00	0.00	0.00	0.00	0.00		Report Issued #18-CF-AEN-14	9/22/2020
UT Health RGV Pediatric Specialty Clinic	240.00	0.00	240.00	350.00	(110.00)		Report Issued #21-AEN-01	8/17/2021
UT Health RGV Surgery & Women's Specialty Clinic	300.00	0.00	300.00	348.00	(48.00)		Draft Report	-
Medical Devices Audit	300.00	0.00	300.00	0.00	300.00		Combined with ePHI Audit	-
MSRDP (Faculty Practice Plan) Audit	250.00	0.00	250.00	317.00	(67.00)		Draft Report	-
South Texas Diabetes and Obesity Institute Audit	350.00	0.00	350.00	559.50	(209.50)		Draft Report	-
Conflicts of Interest Audit	250.00	0.00	250.00	0.00	250.00		Not Started - Reassessed and included on FY 2022 Audit Plan	-
ePHI Audit	400.00	0.00	400.00	153.00	247.00		In Progress - Carryforward to FY 2022 Audit Plan	-
Cloud/3rd Party Security Management Audit	300.00	0.00	300.00	142.50	157.50		In Progress - Carryforward to FY 2022 Audit Plan	-
School of Medicine IT Controls	300.00	0.00	300.00	0.00	300.00		Not Started - Reassessed and included on FY 2022 Audit Plan	-
NCAA Compliance - Recruiting	300.00	0.00	300.00	0.00	300.00		Not Started - Reassessed and replaced.	-
Fees and Other Charges Audit	300.00	0.00	300.00	355.50	(55.50)		In Progress - Carryforward to FY 2022 Audit Plan	-
UTS 142.1 - Monitoring Plan & Account Reconciliations Audit	250.00	0.00	250.00	17.00	233.00		In Progress and included on FY 2022 Audit Plan	-
Assurance Engagements Subtotal	**3,790.00**	**0.00**	**3,790.00**	**2,703.00**	**1,087.00**	**37.94 %**		
Advisory and Consulting Engagements								
FY 2020 Carryforward - Enrollment Reporting Data Analysis	100.00	0.00	100.00	282.50	(182.50)		Completed; exception reporting provided to management for review	-
FY 2020 Carryforward – Scholarships Consulting	175.00	0.00	175.00	439.50	(264.50)		Internal Memo Issued	3/2/2021
Data Analytics - Research Expenditures	250.00	0.00	250.00	0.00	250.00		Not Started - Reassessed and included on FY 2022 Audit Plan	-
Tuition Revenue Cycle Consulting	350.00	0.00	350.00	0.00	350.00		Engagement no longer needed	-
Procurement & Travel Card Monthly Analysis	50.00	0.00	50.00	71.00	(21.00)		Completed; exception reporting provided to management for review	-
Institutional Committee Meetings and Adhoc Workgroups	200.00	0.00	200.00	391.00	(191.00)		Completed	-
Education & Training of Institutional Departments	300.00	0.00	300.00	569.50	(269.50)		Completed	-
Executive Leadership Meetings and Others	300.00	0.00	300.00	69.50	230.50			-
HEERF II Consulting	400.00	(150.00)	250.00	33.50	216.50		In Progress as Advisory Services	-
Higher Education Emergency Relief Funds-I Consulting	0.00	150.00	150.00	157.50	(7.50)		Internal Memo Issued	2/26/2021
Advisory and Consulting Engagements Subtotal	**2,125.00**	**0.00**	**2,125.00**	**2,014.00**	**111.00**	**21.27 %**		
Required Engagements								
NCAA Agreed Upon Procedures	350.00	0.00	350.00	386.00	(36.00)		Assisted UT System Audit Office	-
McAllen Family Practice Residency Program Audit	200.00	0.00	200.00	140.50	59.50		Report Issued #21-REQ-21	12/21/2020
DHR Family Practice Residency Program Audit	200.00	0.00	200.00	173.00	27.00		Report Issued #21-REQ-22	2/4/2021
FY 2020 Financial Audit - Final	10.00	0.00	10.00	13.00	(3.00)		Completed work for Deloitte - UT System consolidated audit	-
FY 2021 Financial Audit - Interim	20.00	0.00	20.00	1.00	19.00		Completed work for Deloitte - UT System consolidated audit	-
Audits/Reviews by External Agencies	50.00	0.00	50.00	71.00	(21.00)		Completed	-
TEC 51.9337 Compliance Assessment	50.00	0.00	50.00	0.00	50.00		Completed	-
Knapp Medical Center Family Practice Residency Program	0.00	150.00	150.00	83.50	66.50		Report Issued #21-REQ-45	1/22/2021
Required Engagements Subtotal	**880.00**	**150.00**	**1,030.00**	**865.00**	**165.00**	**10.31 %**		

The University of Texas Rio Grande Valley
Audit Plan Status Report as of August 31, 2021

Engagement Name	Original Budget	Additions/ Deletions	Revised Budget	Actual Hours	Variance - Revised Budget to Actual	Percent of Total Revised Budget	Status as of August 31, 2021	Report/Memo Issued Date
Investigations								
Reserve Hours for Investigations	200.00	0.00	200.00	4.50	195.50			-
Investigations Subtotal	**200.00**	**0.00**	**200.00**	**4.50**	**195.50**	**2.00 %**		
Reserve								
Reserve Hours for Unanticipated Projects	200.00	(150.00)	50.00	0.00	50.00			-
Reserve Subtotal	**200.00**	**(150.00)**	**50.00**	**0.00**	**50.00**	**0.50 %**		
Follow-Up								
1st Quarter	50.00	0.00	50.00	88.00	(38.00)		Completed	-
2nd Quarter	50.00	0.00	50.00	30.00	20.00		Completed	-
3rd Quarter	50.00	0.00	50.00	38.50	11.50		Completed	-
4th Quarter	50.00	0.00	50.00	14.00	36.00		Completed	-
Follow-Up Subtotal	**200.00**	**0.00**	**200.00**	**170.50**	**29.50**	**2.00 %**		
Development - Operations								
UT System Meetings and Reporting	100.00	0.00	100.00	81.50	18.50			-
Annual Audit Plan and Risk Assessments	350.00	0.00	350.00	430.50	(80.50)		Completed	-
External Quality Assurance Review	100.00	0.00	100.00	13.00	87.00		Action plan in progress	-
Internal Quality Assurance Review	100.00	0.00	100.00	12.00	88.00			-
Internal Audit Committee Meetings	250.00	0.00	250.00	257.50	(7.50)			-
Annual Internal Audit Report	50.00	0.00	50.00	41.50	8.50		Completed and posted on November 1, 2020	-
TeamMate & Other Technologies Development/Maintenance	145.00	0.00	145.00	215.00	(70.00)			-
Management of Audit Activity	500.00	0.00	500.00	1,219.00	(719.00)			-
Development - Operations Subtotal	**1,595.00**	**0.00**	**1,595.00**	**2,270.00**	**(675.00)**	**15.97 %**		
Development - Initiatives and Education								
UT System Audit Office Initiatives	100.00	0.00	100.00	30.00	70.00			-
Continuing Professional Education	600.00	0.00	600.00	796.00	(196.00)			-
Internal Audit Office Organization and Strategic Initiatives	200.00	0.00	200.00	79.50	120.50			-
Professional Organizations	100.00	0.00	100.00	49.50	50.50			-
Development - Initiatives and Education Subtotal	**1,000.00**	**0.00**	**1,000.00**	**955.00**	**45.00**	**10.01 %**		
Totals - Audit Hours	**9,990.00**	**0.00**	**9,990.00**	**8,982.00**	**1,008.00**	**100.00 %**		

The University of Texas Rio Grande Valley
Office of Audits & Consulting Services
TEC Section 51.9337(h) Assessment & Benefits Proportionality Audit
Fiscal Year Ending August 31, 2021

Senate Bill 20 (86th 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 compliance assessment for fiscal year 2021, and our conclusion is as follows:

> Based on our review of current institutional policies, the UT System policies 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 policies is an ongoing process. These rules and policies will continue to be assessed annually to ensure continued compliance with TEC 51.9337.

In addition, Rider 8, page III-48 of the General Appropriations Act (86th Legislature, Conference Committee Report) requires each higher education institution to conduct an internal audit of benefits proportional by fund using a methodology approved by the State Auditor's Office. A compliance audit of Benefits Proportionality Funding was not included in the FY 2021 audit plan; however, a Benefits Proportionality Audit is included in FY 2022 with a focus on Appropriation Years 2020 and 2021.

The University of Texas Rio Grande Valley
FY 2021 Observations, Recommendations, and Action Plans

REPORT NO.	REPORT DATE	REPORT NAME	OBSERVATIONS/FINDINGS AND RECOMMENDATIONS	MANAGEMENT RESPONSES/ACTION PLANS	IMPLEMENTATION STATUS
18-CF-AEN-14	9/22/2020	CARA Center Audit	No institutional policies or guidelines related to Participant Support costs and Scholarships awarded with Sponsored Programs funding, Cost Transfers and Fixed Price Sponsored Awards (Contracts).	CARA will work with Research Administration, Human Resources, and other administrative units to develop a consistent scheme for supporting and compensating undergraduate student researchers. CARA will work more closely with OSP and other units to ensure that contract budgets and timeframes reflect the true scope of work. Research Administration will develop a non-compliance documentation form and related enforcing mechanisms for grant management compliance. Research Administration will develop the fixed price contracts policy for the management of the projects. The OSP handbook will be modified to include a process to identify participant support costs in accordance with 2CFR 200. A chapter on participant support will be added to the Office of Grants & Contracts Desk Manual to establish appropriate PeopleSoft accounting codes of participant support costs. The Scholarship Office in collaboration with Sponsored Projects and Grants & Contracts is required to collect additional documents for students receiving scholarship funds.	Implemented
		CARA Center Audit	No subrecipient monitoring in place.	The Office of Sponsored Programs has a subrecipient risk assessment form which will assess the risk of the subrecipient and dictates the amount of restrictiveness of terms and conditions. Grants & Contracts has also implemented a Subrecipient Monitoring and Management Procedure that outlines the scope and responsibilities related to subawards. This procedure addresses institutional, Principal Investigators (PIs) and administrators' responsibilities to ensure that, in addition to achieving performance goals, subrecipients comply with applicable federal laws and regulations and with the provisions of each subaward agreement.	Implemented
		CARA Center Audit	Nonadherence to institutional policies and processes over travel expenses, the revenue collection process, and payroll expenses. • Insufficient support documentation, business purpose not clearly documented as it related to grant, no travel approval prior to departure, minors traveling, and grant not allowing travel costs. • CPAF's and payroll cost transfers submitted late, insufficient supporting documentation justifying payroll expense on project, reconciliation not completed. • Invoicing not completed, deposits not made or made to incorrect project, and revenue reconciliation not performed.	CARA will make every effort in future to provide more comprehensive information on travel requisitions and the allocability of payroll expenses and subdivide travel and salary among the various benefiting projects (while keeping total amounts charged to each project the same, in line with effort estimations). CARA will provide more detailed information on travel requisitions concerning the allowability, allocability, and reasonableness of the travel expenses. Research Administration is working on options to monitor travel expenses below the current $3,000 threshold. Grants & Contracts has updated their Desk Manual on Travel to include items that the accountant should review to make determinations of allowability, allocability and reasonableness. Research Administration is working on options for controls to monitor timely submission of cPAFs. Research Administration in conjunction with Grants Accounting have reviewed the deposits made to the Stargate Academy accounts and all invoices have been collected and recorded including the funds that were received under UTB. All contracts/agreements with school districts have been handled by the Office of Sponsored Programs. The process of invoicing is conducted by Grants & Contracts and the collection of revenues is handled by Grants Accounting.	Incomplete/Ongoing
		CARA Center Audit	Inaccurate and late Time and Effort Certification.	Verification process for Time & Effort certification will be developed and implemented to ensure the accuracy of Time & Effort reporting.	Incomplete/Ongoing
21-REQ-21	12/21/2020	McAllen Family Practice Residency Program Operation Grant Audit	No Findings	Not Applicable	Not Applicable
21-REQ-45	1/22/2021	Knapp Medical Center Family Practice Residency Program Operational Grant Audit	No Findings	Not Applicable	Not Applicable
21-REQ-22	2/4/2021	DHR Family Practice Residency Program Operational Grant Audit	No Findings	Not Applicable	Not Applicable

The University of Texas Rio Grande Valley
FY 2021 Observations, Recommendations, and Action Plans

REPORT NO.	REPORT DATE	REPORT NAME	OBSERVATIONS/FINDINGS AND RECOMMENDATIONS	MANAGEMENT RESPONSES/ACTION PLANS	IMPLEMENTATION STATUS
20-AEN-04	5/6/2021	Banner System Access Audit	Confidential	Confidential	Incomplete/Ongoing
		Banner System Access Audit	Confidential	Confidential	Incomplete/Ongoing
		Banner System Access Audit	Confidential	Confidential	Incomplete/Ongoing
21-AEN-01	8/17/2021	UT Health RGV Pediatric Special Clinic	Eleven out of the twenty patient files tested contained outdated patient registration forms.	Clinic staff have been retrained in the importance of capturing new and established patient demographic information for each visit. Privacy Notice update will be done annually. Inuvio software has been implemented to decrease errors with registration and insurance verification.	Implemented
		UT Health RGV Pediatric Special Clinic	Staff are not canceling no-show appointments as part of their end of day procedures.	Staff have been retrained regarding no-show appointment process. Additional PSRs were hired to improve throughput. Staff and providers have been trained to use Appointment Ticklers.	Implemented
		UT Health RGV Pediatric Special Clinic	Appointment statistics, such as no-shows and cancellation rates are not included in any monitoring report.	Continuous retraining of staff during the Pediatric Dept Meeting (4th Friday of each month) to eliminate impact to patient care. Plan to add a bi-weekly PSR discussion and retraining when necessary.	Implemented

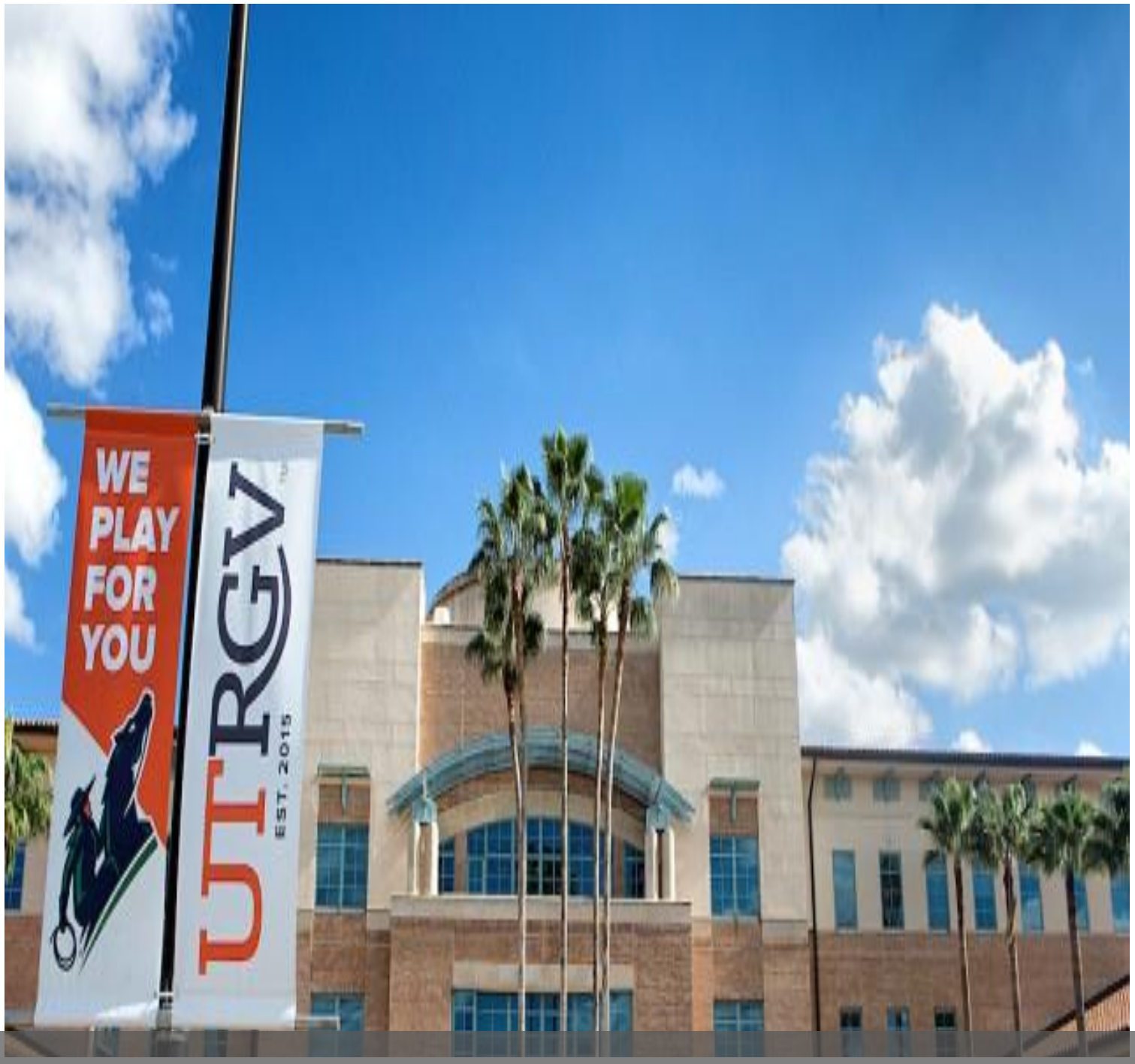
SECTION III
Consulting Services and Nonaudit Services Completed

SECTION III

CONSULTING SERVICES AND NON-AUDIT SERVICES COMPLETED

Date Completed	Name of Engagement	High-Level Non-Audit Services Objective(s)	Observations/Findings and Recommendations	Fiscal Impact/Other Impact
February 26, 2021	Higher Education Emergency Relief Funds Assessment	Gain an understanding of the processes UTRGV followed to administer and manage grants, identify challenges experienced throughout the administration and management of the grants, and identify lessons learned.	Research Administration must provide oversight throughout the entire life cycle of the grant.	Operations and Compliance
March 2, 2021	Scholarship Consulting	Evaluate the efficiency and effectiveness of the scholarship awarding process for all scholarships awarded during fiscal year 2020 with a focus on graduate scholarships managed by the Graduate College.	Significant improvements recommended in the management of graduate scholarships as well as implementing a common scholarship application for students.	Fiscal and Operations
Ongoing	Procurement and Travel Card Program Data Analysis	To provide monthly custom data analytic reports to the procurement and travel card administrator to identify procurement and travel card transactions that may require further review.	Management is using these reports as a monitoring tool to increase compliance throughout the institution.	Compliance
Ongoing	Financial Aid Data Analysis – Cost of Attendance	To provide custom data analytic reports to the Financial Aid Office to identify Cost of Attendance transactions that may require further review.	Management is using these reports as a monitoring tool to increase financial aid compliance.	Compliance
Ongoing	Enrollment Reporting Data Analysis	To provide custom data analytic reports to the Registrar's Office to identify enrollment reporting transactions that may require further review.	Management is using these reports as a monitoring tool to increase financial aid compliance.	Compliance

SECTION IV
External Quality Assurance Review
(Peer Review)



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now, for tomorrow.

Report of the Independent Validation of the Quality Assessment Review of The University of Texas at Rio Grande Valley Office of Audits and Consulting Services

August 7, 2020

August 7, 2020

Ms. Eloy R. Alaniz, Jr., Chief Audit Officer
The University of Texas at Rio Grande Valley

In August 2020, The University of Texas at Rio Grande Valley (UT Rio Grande Valley or UTRGV) internal audit (IA) function, the Office of Audits and Consulting Services (OACS), completed a self-assessment of internal audit activities in accordance with guidelines published by the Institute of Internal Auditors (IIA) for the performance of a quality assessment review (QAR). UT Rio Grande Valley OACS engaged an independent review team consisting of internal audit professionals with extensive higher education and healthcare experience to perform an independent validation of OACS' QAR self-assessment. The primary objective of the validation was to verify the assertions made in the QAR report concerning IA's conformity to the IIA's *International Standards for the Professional Practice of Internal Auditing* (the IIA *Standards*) and Code of Ethics, Generally Accepted Government Auditing Standards (GAGAS), and the relevant requirements of the Texas Internal Auditing Act (TIAA).

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

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

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

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

Very truly yours,

Baker Tilly Virchow Krause, LLP

Baker Tilly Virchow Krause, LLP

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Summary

Background

Baker Tilly was engaged to conduct an independent validation of The University of Texas at Rio Grande Valley Office of Audits and Consulting Services' self-assessment with the assistance of an internal audit executive from a peer institution. The primary objective of the validation was to verify the assertions noted in the attached self-assessment report concerning adequate fulfillment of the organization's expectation of the internal audit activity and its conformity to the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics, Generally Accepted Government Auditing Standards, and relevant requirements of the Texas Internal Auditing Act.

The scope and approach for the independent validation included:

- Interviewing stakeholders of the IA function, including the President and other members of UT Rio Grande Valley's leadership team, Institutional Audit Committee (IAC) members, and OACS personnel.
- Reviewing the self-assessment report and a sample of IA documents related to fiscal years 2018, 2019, and 2020.
- Considering current internal audit activities in relation to the *Standards* promulgated by the IIA as well as GAGAS and TIAA requirements.
- Identifying opportunities to enhance the internal audit function and other institution-wide considerations.

Conclusions of the Independent Review Team

Based on our independent validation of the QAR performed by OACS, it is our overall opinion that the internal audit function **"Generally Conforms"** with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics. The IIA's *Quality Assessment Manual* suggests a scale of three ratings, "generally conforms," "partially conforms," and "does not conform." "Generally conforms" is the top rating and means that an internal audit activity has a charter, policies, and processes that are judged to be in conformance with the *Standards*. "Partially conforms" means deficiencies in practice are noted that are judged to deviate from the *Standards*, but these deficiencies did not preclude the IA activity from performing its responsibilities in an acceptable manner. "Does not conform" means deficiencies are judged to be so significant as to seriously impair or preclude the IA activity from performing adequately in all or in significant areas of its responsibilities.

We agree with OACS' conclusions regarding its adherence to GAGAS and TIAA requirements.

Our review noted strengths as well as opportunities for enhancing the internal audit function and processes that affect OACS' effectiveness, as further detailed on the following pages.

Observations

Strengths

During our review we noted a number of strengths, including the following:

- **IA trusted advisor role:** IA's strong, ongoing advisory approach enables it to support change and evolution across the institution. The President and others describe the IA function as a trusted advisor.
- **IA team and culture:** IA's strong, cohesive team and culture, seamlessly bringing together professionals from the legacy institutions, result in high team member retention rates, consistent IA leadership, and the longevity of the function. Team members possess industry certifications and expertise in specialized areas. The CAE introduces his team to stakeholders, acknowledging their contributions on IA engagements and intentionally developing the team as leaders who can interact directly with stakeholders.
- **Foothold in healthcare skills:** IA hired a team member with a background in IA healthcare to expand the function's expertise and has intentionally begun to develop other team members' skills in this area, as well.
- **Collaboration between IA and Institutional Compliance (Compliance):** The IA and Compliance perform joint risk assessments, participate in regular, joint stakeholder meetings to enable ongoing risk assessment, and demonstrate an ongoing, intentional collaboration.

For a further sense of the positive feedback from stakeholder interviews, see **Appendix E** for key words captured.

"Looking at areas causing concern...the first person we call is IA."

"They go the extra mile to help us to identify issues informally and prepare for what to change in policies and processes before an [external] audit happens."

"When they…look at something, they do the deep dive. They understand and look at what can be helpful. They bring the controls AND the efficiency perspective every time. [Their work] benefits us every time."

Opportunities for Enhancement

Internal Audit-Specific Observations

The review team agrees with the *Standards* assessment and opportunities for enhancement identified in OACS' August 2020 self-assessment report, included in **Appendix D**. We offer the following observations and recommendations to build on IA's strong performance:

- **Communicating with leadership** – Share final reports directly with leaders with institution-wide responsibilities, even when those leaders are not directly involved in specific engagements. As the focus on the health care enterprise continues to increase, schedule regular meetings with key health care leaders throughout the year to provide transparency into overall progress, results, and potential risks or trends.
- **Accelerating project cycle times** – Enhance IA project turnaround times by clearly defining and communicating to process owners the timelines for each engagement. Consider sharing a report of potential issues early during each project's fieldwork phase to support confirmation of observations as the project progresses. Proactively communicate expectations at the beginning of engagements for the format and timing of management's responses in final reports and follow-up to support adherence to report timelines. Establish and report to the IAC on anticipated and actual project completion time frames.
- **Enhancing the professional growth of IA team members** – Define a career path for IA personnel at the University. Consider developing a rotational program that matches auditors with interim roles within the institution to enhance professional growth opportunities.

Institution-wide Considerations

Although our assessment was of the IA function, the IIA *Standards* require review teams to consider the intersection of IA activities with risk management and compliance activities across the institution. Addressing these observations will help to optimize the performance of IA:

- **Supporting the IAC** – Expand IAC educational opportunities to discuss periodically with the committee in an interactive format the roles and expectations of the committee and its members. Hold an annual working session to review with, and incorporate IAC external member feedback into, the risk assessment and IA plan. Hold regular closed sessions with the CAE to discuss sensitive topics. Consider streamlining the number of management participants in the IAC and adding external members with healthcare and technology backgrounds.
- **Expanding UTRGV's risk-related resources for the healthcare enterprise** – Review UTRGV's capacity for oversight and monitoring of its growing healthcare enterprise. Assess the sufficiency of resources dedicated to oversight and monitoring of billing compliance, the overall revenue cycle, clinical operations, and clinical trials. Further define and rationalize the key roles that IA, Institutional Compliance, the Director of Quality Assurance, and Accounting each play in these areas.
- **Continuing the collaboration between IA and Institutional Compliance** – Stakeholders note that IA and Institutional Compliance work well together. As Institutional Compliance undergoes a leadership change, maintain this strong collaboration, including the existing joint effort for annual risk assessment.

Appendix A: Work Performed

In completing our review, the independent review team:

- Conducted interviews with 22 individuals from positions across UT Rio Grande Valley and from the UT System Administration Audit Office (see list in **Appendix B**) to understand their views of the current internal audit function in relation to strategic goals, major initiatives, and challenges
- Reviewed documentation, including:
  - Internal audit charter
  - Organizational charts
  - Recent annual audit plans
  - Recent annual risk assessments
  - Departmental policies and procedures
  - Staff training plans and qualifications
  - Reports to the Audit Committee
  - Sample internal audit reports
  - Quality assurance and improvement plan (QAIP) documentation
  - QAR program guides
  - GAGAS self-assessment guides
  - Work papers for IA projects performed during the past two fiscal years
- Considered the current internal audit function in relation to the *Standards* promulgated by the IIA in the areas of:
  - Structure and reporting relationships
  - Roles and responsibilities
  - Degree of independence and objectivity
  - Education, training, qualifications, and experience of personnel
  - Management of the IA activity
  - Quality of IA deliverables
- Assessed additional materials, as necessary, to further validate the self-assessment completed

Appendix B: Interviews Conducted

Institutional Audit Committee Members

Kenneth Everhard, CPA, Chair, External IAC Member
Elias Longoria, External IAC Member
Gregg McCumber, CPA, External IAC Member

Executive and Senior Leadership

Rick Anderson, Executive Vice President (EVP) for Finance & Administration
Janna Arney, PhD, Deputy President and Interim EVP for Academic Affairs
Doug Arney, Vice President (VP) of Campus Operations
Guy Bailey, PhD, President
Chasse Conque, VP and Director of Athletics
Jeff Graham, Chief Information Officer
Parwinder Grewal, PhD, EVP of Research, Graduate Studies, & New Program Development
Magdalena Hinojosa, PhD VP for Strategic Enrollment
Melba Sanchez, Associate Dean for Finance, School of Medicine
Diane Sheppard, Chief Compliance Officer

Internal Audit

Eloy R. Alaniz, Jr., Chief Audit Officer, CPA, CIA, CISA
Isabel Benavides, Assistant Director
Angelica Coello-Pineda, Auditor
Jose Gomez, Senior IT Auditor
Paul Plata, Senior Auditor
Norma Ramos, Director
Cecilia Sanchez, Senior Auditor

System Audit Office

Moshmee Kalamkar, Director of Operations
J. Michael Peppers, UT System Chief Audit Executive

Appendix C: Independent Review Team Member Information

Raina Rose Tagle, CPA, CISA, CIA — Review Team Leader

Partner, Baker Tilly

Raina Rose Tagle is a Partner with Baker Tilly, an accounting and advisory firm with more than 4,000 personnel nationwide. Raina serves on Baker Tilly's governing Board of Partners and leads global Governance, Risk, Compliance, and Cybersecurity Services for Baker Tilly International. Raina previously led Baker Tilly's national higher education and research institutions industry practice, as well as its national risk, internal audit, and cybersecurity services practice. In addition to her extensive work with higher education and academic medical center clients, Raina's practice serves the healthcare, financial services, real estate, manufacturing, not-for-profit, government contracting, and professional services industries. Raina started her career with Arthur Andersen. Prior to joining Baker Tilly, she led her own consulting firm that offered strategic planning facilitation, executive coaching, and organizational development for not-for-profits and growing companies. Raina holds a bachelor of science in accounting from Oklahoma State University and is a Certified Public Accountant, Certified Information System Auditor, and Certified Internal Auditor. Raina frequently presents at conferences of the Association of College and University Auditors, the Association of Governing Boards of University and College Trustees, the National Council of University Research Administrators, and the National Association of College and University Business Officers. In addition to her work across The University of Texas System, Raina's clients include the University of California System, the University of Wisconsin System, the University of Washington, the University of Michigan, Iowa Regents' Institutions, Cornell University, Princeton University, Stanford University, the University of Pennsylvania, Massachusetts Institute of Technology, Harvard University, and the Virginia Polytechnic Institute and State University (and, among other work, she has led reviews of the internal audit, institutional compliance, and/or enterprise risk management programs of all of these institutions).

Brian Daniels, CIA, CISA, GCFA

Chief Audit and Compliance Officer, University of Tennessee System

As Chief Audit and Compliance Officer, Brian and the internal audit team perform audits focused on internal controls, fraud prevention and detection, information technology, and effectiveness and efficiency, as well as fraud investigations, among others. He also oversees the institutional compliance team which is responsible for designing, implementing, and monitoring the systemwide compliance program, and promoting the university's code of conduct. Brian began his career as the auditor of public accounts for the Commonwealth of Virginia, conducting external audits of state entities, including colleges and universities. He then worked at the University of Virginia as assistant director of information technology audits from 2005 to 2011. Brian received his bachelor's degree in business information technology from Virginia Tech and an MBA from James Madison University. He is a certified internal auditor, a certified information systems auditor, and a certified forensic analyst.

Appendix D: Office of Audits and Consulting Services Quality Self-Assessment Report

DATE: August 7, 2020

TO: Kenneth Everhard, UTRGV Institutional Audit Committee Chair

SUBJECT: Internal Audit Self-Assessment – Internal Audit Activity

Dear Mr. Everhard,

The Office of Audits & Consulting Services (Office) completed a quality self-assessment of the Internal Audit (IA) activity in preparation for validation by an independent assessor. The principal objective of the review was to assess the IA activity's conformance to The Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing* (*Standards*), the IIA's Code of Ethics, Generally Accepted Government Auditing Standards (GAGAS), and the relevant requirements of the Texas Internal Auditing Act (TIAA). The scope of the review was of the current and prior fiscal years (FY 2020 and 2019), with an emphasis on current practices, and the methodology used was based on the IIA's *Quality Assessment Manual*.

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

It is our overall opinion that our internal audit program Generally Conforms to the *Standards* and Code of Ethics. In addition, it is our overall opinion that the internal audit program is in conformance with *the TIAA,* and as applicable, to *GAGAS.* The internal assessment identified opportunities for further improvement, of which details are provided below.

We appreciate your support for the internal audit function.

Sincerely,

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

cc: Guy Bailey, PhD, President
The University of Texas Rio Grande Valley Institutional Audit Committee
J. Michael Peppers, Chief Audit Executive, The University of Texas System Administration

Background

The University of Texas System Institutions and System Internal Audit groups comply with the Texas Internal Auditing Act to have independent quality assessment reviews performed every three years. During this Quality Assurance cycle, each institution conducted a self-assessment with independent validation. The national accounting and advisory firm of Baker Tilly was contracted to perform the independent validation for each institution separately. Recommendations included in this report were presented to Baker Tilly and a representative from an internal audit group of a peer institution to review and confirm.

Scope and Methodology

This was a comprehensive self-assessment in which each institution in the University of Texas System reviewed information about its respective IA practices and policies, including risk assessment and audit planning processes, audit tools and methodologies, engagement and staff management processes, a review of a representative sample of work papers and reports, and interviews with audit staff and campus audit clients and leadership. The results of this review resulted in the following report with recommendations for improvement along with our internal assessment of conformance with the *Standards* that was then validated by Baker Tilly and the peer internal auditor.

Overall Opinion

It is our overall opinion that our internal audit program Generally Conforms to the *Standards* and Code of Ethics. In addition, it is our overall opinion that the internal audit program is in conformance with the *TIAA,* and as applicable, to *GAGAS.*

Strengths

We identified the following points of pride:

Audit Report Format Change

The Office recently changed its audit report format to enhance reporting process and quality. We presented the new format to the audit committee and received positive feedback. The new report format was adopted.

Staff Experience and Competencies

The audit staff has an average of 20 years of internal auditing experience. The staff consists of highly skilled and qualified professionals with 86% certified as either Certified Internal Auditors, Certified Public Accountants, Certified Information Systems Auditors, Certified Healthcare Internal Audit Professionals or Certified Fraud Examiners. Additionally, 71% of the staff hold multiple certifications. This knowledge base serves as a unique resource. The staff is located on two campuses, and they are well acquainted with the UTRGV processes.

Relationships with University Leadership and Collaboration

The Office has established collaborative relationships with university leadership. Auditors attend Audit Committee meetings and interact with leadership. The Executive Leadership have requested that the Office conduct special audits/engagements. Members of the audit staff provide advisory services through their participation in various institutional committees such as the Handbook of Operating Procedures Committee, Operational Information Technology and Data Governance Committee, Athletics Council, and Clery Compliance Committee.

The Office collaborates with Institutional Compliance and Legal Affairs Offices in its annual risk assessment process and audit plan development. This eliminates duplication of effort and utilizes combined expertise to evaluate the universities risks. University management calls upon the Office for advice on internal controls, compliance issues, policy interpretation, and operational best practices. The Office has provided individualized internal control trainings for areas upon request as well.

Training

All auditors receive on average 40 hours of continuing professional education annually. Auditors are members of various associations and receive specialized training offered by the Institute of Internal Auditors, Information Systems Audit and Controls Association, Association of Certified Fraud Examiners, Association of Healthcare Internal Auditors, American Institute of Certified Public Accountants, Association of College and University Auditors, Texas Association of College and University Auditors, National Council of University of Research Administrators, Society of Corporate Compliance and Ethics, and HealthCare Compliance Association.

Members of a University System

As members of the UT System, the Office has access to a knowledge base with subject matter experts who can provide guidance and information when needed in areas such as Healthcare, Information Technology, Financials, Research and Compliance. In addition, the UT System Audit Office schedules biannual Internal Audit Council meetings bringing together fellow UT institution Chief Audit Executives to discuss current audit issues, risks, and best practices.

Recommendations: We identified several opportunities for improvement in the following areas:

Ongoing Evaluation of Risk Assessments

The internal audit function is facilitating the institutions risk assessment process and using that assessment to develop its audit plan. This risk assessment process is performed annually, and risks are not evaluated throughout the audit plan year.

Recommendation: The Chief Audit Officer should evaluate risks more frequently throughout the fiscal year and discuss changes in risk profiles.

Internal Quality Assessment

Audit management is conducting ongoing internal assessments at the end of each audit. These assessments, including audit engagement survey results are not presented to the Audit Committee annually. In addition, perform annual Audit Committee surveys. These internal assessments are ongoing monitoring activities to improve the performance of the internal audit function.

Recommendation: The Chief Audit Officer should present results of the internal assessments annually to the Audit Committee.

Engagement Review

In one of three audits tested, the review of the engagement work papers was not conducted timely. Timely review could help the auditor complete the work in a more efficient and effective manner improving audit cycle time.

Recommendation: The CAE should ensure that reviews of engagement work papers is conducted timely.

Audit Manual

The Audit Office has policies and procedures, but the Audit Manual has not been reviewed or updated to include information on recent changes such as the new PeopleSoft system.

> Recommendation: The Chief Audit Officer should review and update the Audit Manual incorporating information to assist auditors in performing their audits efficiently.

***Standards* Assessment**

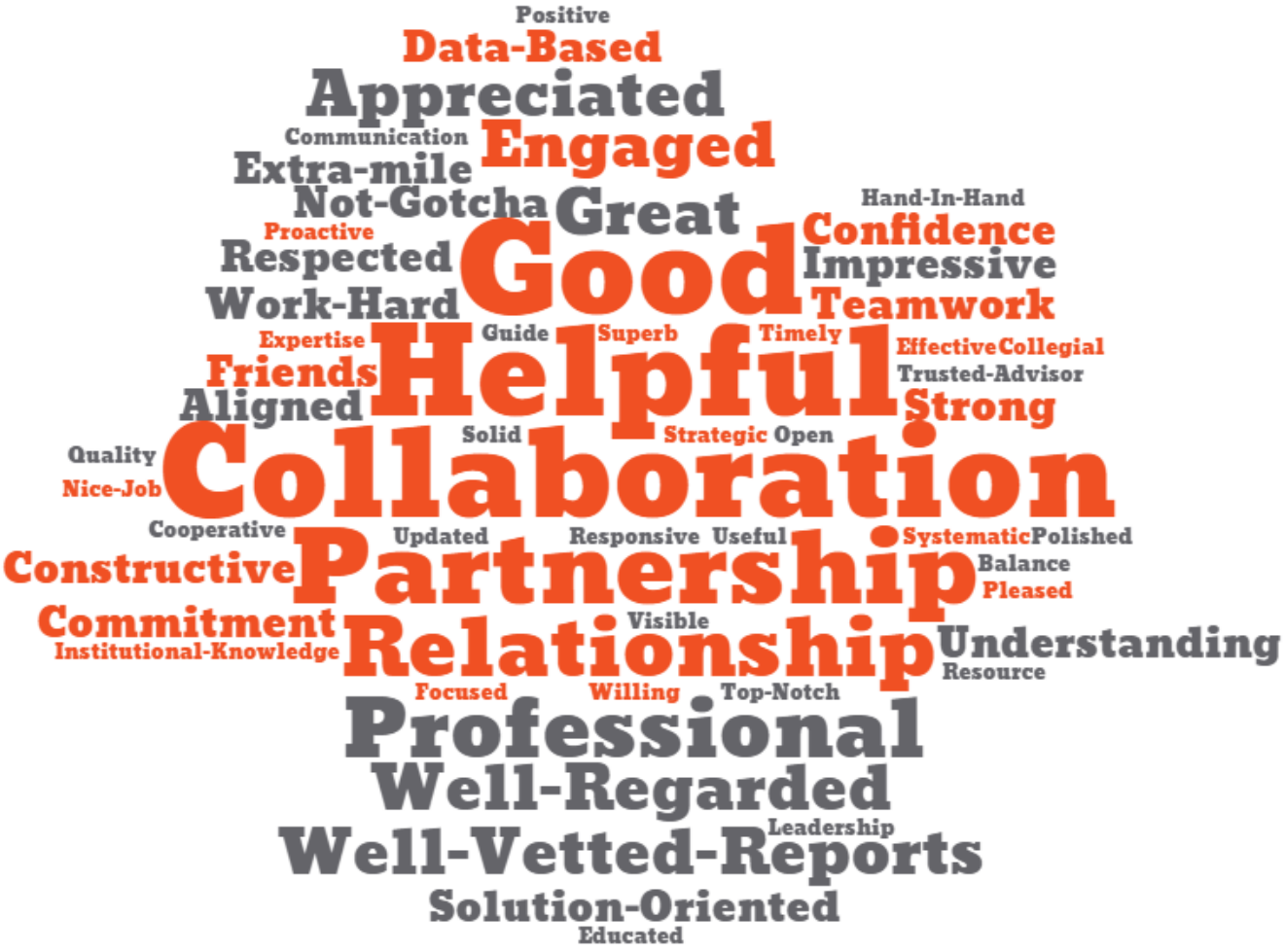
Quality Assessment Evaluation Summary—Overall Evaluation	GC	PC	DNC
OVERALL EVALUATION	✔		

Quality Assessment Evaluation Summary—Major/Supporting *Standards*		GC	PC	DNC
1000	**Purpose, Authority, and Responsibility**	✔		
	1010 Recognition of the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the *Standards*, and the Definition of Internal Auditing)	✔		
1100	**Independence and Objectivity**	✔		
	1110 Organizational Independence	✔		
	1111 Direct Interaction with the Board	✔		
	1112 Chief Audit Executive Roles Beyond Internal Auditing	✔		
	1120 Individual Objectivity	✔		
	1130 Impairment to Independence or Objectivity	✔		
1200	**Proficiency and Due Professional Care**	✔		
	1210 Proficiency	✔		
	1220 Due Professional Care	✔		
	1230 Continuing Professional Development	✔		
1300	**Quality Assurance and Improvement Program**	✔		
	1310 Requirements of the Quality Assurance and Improvement Program	✔		
	1311 Internal Assessments	✔		
	1312 External Assessments	✔		
	1320 Reporting on the Quality Assurance and Improvement Program	✔		
	1321 Use of “Conforms with the International Standards for the Professional Practice of Internal Auditing”	✔		
	1322 Disclosure of Nonconformance	✔		
2000	**Managing the Internal Audit Activity**	✔		
	2010 Planning	✔		
	2020 Communication and Approval	✔		
	2030 Resource Management	✔		
	2040 Policies and Procedures	✔		
	2050 Coordination and Reliance	✔		

Quality Assessment Evaluation Summary—Major/Supporting *Standards*		GC	PC	DNC
	2060 Reporting to Senior Management and the Board	✔		
	2070 External Service Provider and Organizational Responsibility for Internal Auditing	✔		
2100	**Nature of Work**	✔		
	2110 Governance	✔		
	2120 Risk Management	✔		
	2130 Control	✔		
2200	**Engagement Planning**	✔		
	2201 Planning Considerations	✔		
	2210 Engagement Objectives	✔		
	2220 Engagement Scope	✔		
	2230 Engagement Resource Allocation	✔		
	2240 Engagement Work Program	✔		
2300	**Performing the Engagement**	✔		
	2310 Identifying Information	✔		
	2320 Analysis and Evaluation	✔		
	2330 Documenting Information	✔		
	2340 Engagement Supervision	✔		
2400	**Communicating Results**	✔		
	2410 Criteria for Communicating	✔		
	2420 Quality of Communications	✔		
	2421 Errors and Omissions	✔		
	2430 Use of “Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing”	✔		
	2431 Engagement Disclosure of Nonconformance	✔		
	2440 Disseminating Results	✔		
	2450 Overall Opinions	✔		
2500	**Monitoring Progress**	✔		
2600	**Communicating the Acceptance of Risks**	✔		
	The IIA’s Code of Ethics	✔		

GC = Generally Conforms
PC = Partially Conforms
DC = Does not Conform

Appendix E: Positive Words from Interviews



Note: The relative size of the words correlates to their occurrence/use by interviewees

SECTION V
Internal Audit Plan for Fiscal Year 2022

The University of Texas Rio Grande Valley
Office of Audits & Consulting Services
Texas Government Code, Section 2102.005(b) Compliance
Fiscal Year Ending August 31, 2021

The Texas Internal Auditing Act *Sec. 2102.005(b)* requires that a state agency's internal audit program shall consider methods for ensuring compliance with contract processes and controls and for monitoring agency contracts.

The UTRGV Office of Audits & Consulting Services considers risks related to contracting processes and monitoring controls as well as information technology annually through its risk assessment process when developing its internal audit plan **(Refer to Internal Audit Plan FY 2022)**.

In addition, in accordance with the Texas Education Code (TEC) §51.9337 related to purchasing and contracting, the Office of Audits & Consulting Services is required to annually assess whether the institution has adopted the rules and policies required by this section and shall submit a report of findings in the annual auditor's report or in a separate report to the state auditor **(Refer to TEC §51.9337 Compliance in Section II)**.

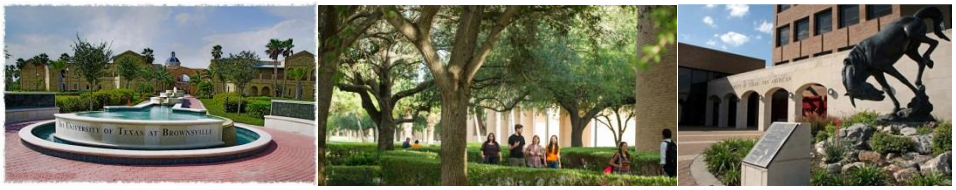
The University of Texas Rio Grande Valley

Brownsville • Edinburg • Harlingen

Office of Audits and Consulting Services

FISCAL YEAR 2022 AUDIT PLAN

Approved by: Internal Audit Committee
Date: June 15, 2021



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THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY
OFFICE OF AUDITS & CONSULTING SERVICES
FISCAL YEAR 2022 AUDIT PLAN

BACKGROUND

In accordance with Texas Government Code, *Chapter 2102*, referred to as the Texas Internal Auditing Act, 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 was prepared for fiscal year (FY) 2022. This Audit Plan allows the chief audit executive to carry out the responsibilities of the Office of Audits & Consulting Services. The Office of Audits & Consulting Services is responsible for providing the president of the University of Texas Rio Grande Valley (UTRGV) 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 of 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 described below.

Since the Texas State Auditor's Office, the Texas State Comptroller's Office, and The University of Texas System Audit Office audit UTRGV, 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 2022 Audit Plan are 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.

As part of the FY 2022 Audit Plan process, a risk assessment was conducted 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. The goal for this risk assessment approach was 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 UT System wide comparisons. An emphasis was placed on collaboration with other functions that assess or address risks such as Institutional Compliance and the Legal Office.

We developed a Risk List through evaluation of the twenty-one (21) major processes applicable to UTRGV. These twenty-one processes are 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 Training
21. Medical Services Revenue Cycle

For all critical (red) or high (orange) risks identified on the risk list, either an audit or project was included in the Annual Audit Plan **(Appendix A)** or an explanation/mitigation strategy was provided on the risk list for those not on the Audit Plan.

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 the Conflict of Interest, Cost Transfers, Institutional Review Board, UT Health RGV Orthopedics and Sports Medicine Clinic and UT Health RGV Behavioral Health Clinic, Patch Management, which covers TAC 202 requirements, and Payment Card Industry Data Security Standards.

Required Audits (Externally and Internally)

The UT System Board of Regents approved an independent CPA firm to conduct the FY 2021 UT System-wide Consolidated Financial Audit. Interim procedures will be conducted during the months of July of 2021, and year-end procedures will be conducted in November of 2021. The NCAA Agreed-Upon Procedures is an annual requirement in accordance with NCAA regulations and is conducted in November and December. The Texas Higher Education Coordinating Board awarded operational grants to the McAllen Family Practice Residency Program, the Doctors Hospital at Renaissance Family Practice Residency Program, and the Knapp Medical Center Family Practice Residency Program. These audits will determine whether the funds were utilized in accordance with program 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 September/October 2021 and the certification will be included in the Annual Internal Audit Report.

Advisory and Consulting Engagements

Advisory and Consulting engagements will primarily include data analysis in the following areas: research expenditures, procurement and travel card expenditures, financial aid cost of attendance, and enrollment reporting. Internal controls training and other advisory services to institutional departments are also planned.

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. Follow-up on all other recommendations will be conducted.

Reserve for Unanticipated Projects

Hours 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 the internal audit committee meetings as well as hours devoted to performing internal quality assurance assessments. It includes hours towards developing the annual audit plan.

Development-Initiatives and Education

For the Initiatives & Education section, it includes activities that improve the strategic initiatives 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 2022 UT System Annual Audit Plan Guidelines*. The Office is budgeted for seven (7) auditors. The internal audit staff consists of highly qualified and skilled audit professionals with 86% (6 out of 7) certified. The chief audit executive (CAE) reports directly to the UTRGV president and indirectly to the chief audit executive of the UT System Audit Office.

The CAE is a Certified Public Accountant (CPA), Certified Internal Auditor (CIA), and a Certified Information Systems Auditor (CISA) and has over 25 years of audit experience. The director has 28 years of audit experience and is a CIA and a Certified Government Auditing Professional (CGAP). The assistant director has over 25 years of audit 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, and one is Certified in Healthcare Auditing and a CISA. Our senior IT auditor is also 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 2022 AUDIT HOURS

The number of audit hours available for FY 2022 was calculated using 2,080 hours per auditor. There are 7.0 budgeted audit positions for the fiscal year. 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 **9,805** hours for audits and consulting engagements as well as audit staff and management development hours. The FY 2022 Budget Hours is included in **Appendix B**.

APPROVAL OF THE AUDIT PLAN

The Audit Plan is reviewed and approved as follows:

- The UT System Audit Office – Audit plan presented on June 8, 2021.
- The UTRGV Audit Committee – Audit plan approved on June 15, 2021.
- The UT System Board of Regents – Audit plan provided on August 18, 2021.

The University of Texas Rio Grande Valley
FY 2022 Annual Audit Plan
FY 2022 Internal Audit Estimated Budget $748,464

FY 2022 Audit Plan	Budget	Percent of Total	Risk	Primary Taxonomy	Specialty Audit Used	General Objective/Description
Assurance Engagements						
FY21 Carryforward - Cloud/3rd Party Security Management	100		High	Information Technology	IT	Identify and review cloud hosting solutions/systems being utilized by the institution and ensure appropriate security controls are in place. Meets TAC 202 requirements.
FY21 Carryforward - ePHI Audit	100		Critical	Information Technology	IT	Determine whether all Protected Health Information has been identified and appropriately safeguarded.
UTS 142.1 - Monitoring Plan & Account Reconciliations Audit	100		Critical	Finance	N/A	Perform audit of UTRGV's Monitoring Plan, including sub certifications and assertions on segregation of duties and account reconciliations for FY 2021.
Conflict of Interest Audit	250		High	Governance	N/A	Assess the effectiveness of controls for ensuring the identification, communication, and management of conflicts of interest.
Cost Transfers Audit	250		High	Research	N/A	Determine whether UTRGV developed and implemented adequate procedures and controls relating to cost transfers and that cost transfers are justified and supported in accordance with Federal regulations and UTRGV's policies and procedures. This engagement will be conducted under GAGAS.
Institutional Review Board (IRB) Audit	300		Critical	Research	N/A	Evaluate key activities of the IRB in the protection of human subjects in research.
Patch Management Audit	300		Critical	Information Technology	IT	Review controls over timely patching of workstations, servers and other IT infrastructure equipment. Meets requirements for TAC 202
Denials Management Audit	250		High	Revenue Cycle related to medical services	Data Analytics	Evaluate process for identifying, classifying, tracking and resolving denials.
Payment Card Industry Data Security Standards (PCI) Audit	300		Critical	Information Technology	IT	Evaluate payment card controls in accordance with data security standards. Meets TAC 202 requirements.
UT Health RGV Orthopedics & Sports Medicine Audit (Weslaco)	300		High	Revenue Cycle related to medical services	N/A	Efficiency and effectiveness of front end revenue processes as well as review of internal controls of clinical operations.
UT Health RGV Behavioral Health Audit (Harlingen)	300		High	Revenue Cycle related to medical services	N/A	Efficiency and effectiveness of front end revenue processes as well as review of internal controls of clinical operations.
NCAA Compliance - Financial Aid Audit	300		High	Auxiliary Services	N/A	Determine whether policies and procedures are in place to administer and monitor the awarding of financial aid to student-athletes in accordance with NCAA legislation.

The University of Texas Rio Grande Valley
FY 2022 Annual Audit Plan
FY 2022 Internal Audit Estimated Budget $748,464

FY 2022 Audit Plan	Budget	Percent of Total	Risk	Primary Taxonomy	Specialty Audit Used	General Objective/Description
School of Medicine IT Controls Audit	300		Critical	Information Technology	IT	Evaluate whether appropriate IT General Controls are in place for the School of Medicine with a focus on responsibility for maintenance of systems.
Change in Personnel Action Form Audit	300		Critical	Finance	N/A	Evaluate whether current CPAF system addresses needs of a growing and complex institution.
Assurance Engagements Subtotal	**3450**	**35.2%**				
Advisory and Consulting Engagements						
Data Analytics - Research Expenditures	250		High	Research	Data Analytics	Consulting: Develop a tool to evaluate research expenditures for monitoring use by the Research Administration Office.
Data Analytics - Cost of Attendance	50		High	Enrollment Management	Data Analytics	Consulting: Provide Financial Aid Office with periodic exception cost of attendance reports to monitor compliance with federal requirements
Data Analytics - Procurement and Travel Cards	150		High	Finance	Data Analytics	Consulting: Provide Procurement & Travel Offices with monthly exception reports on card activity.
Data Analytics - Enrollment Reporting	50		High	Enrollment Management	Data Analytics	Consulting: Provide Registrar with periodic exception enrollment reports to monitor compliance with federal requirements
Institutional Committee Meetings and Adhoc Workgroups	300		N/A	Governance	N/A	Advisory: Attend campus committee meetings and other meetings with management.
Education, Training and Advice to Institutional Departments	300		N/A	Governance	N/A	Education: Provide internal controls training or assistance to UTRGV supervisors, cost/project center reviewers and/or depts.
Executive Leadership Meetings and Others	300		N/A	Governance	N/A	Advisory: Meetings with Executive Leadership and Others
Advisory and Consulting Engagements Subtotal	**1400**	**14.3%**				
Required Engagements						
NCAA Agreed Upon Procedures	350		Low	Auxiliary Services	N/A	Perform the required annual NCAA Agreed Upon Procedures for FY 2021.
Joint Admission Medical Program - School of Medicine	150		Low	Finance	N/A	Provide assurance on the appropriateness of Program expenditures in accordance with JAMP guidelines
McAllen Family Practice Residency Program Audit	100		Low	Finance	N/A	Assess whether revenues, expenditures and unexpended fund balance were reported accurately in the AFR and grant funds were utilized in accordance with guidelines for operational and optional rotation programs.

The University of Texas Rio Grande Valley
FY 2022 Annual Audit Plan
FY 2022 Internal Audit Estimated Budget $748,464

FY 2022 Audit Plan	Budget	Percent of Total	Risk	Primary Taxonomy	Specialty Audit Used	General Objective/Description
DHR Family Practice Residency Program Audit	100		Low	Finance	N/A	Assess whether revenues, expenditures and unexpended fund balance were reported accurately in the AFR and grant funds were utilized in accordance with guidelines for operational and optional rotation programs.
Knapp Family Practice Residency Program Audit	100		Low	Finance	N/A	Assess whether revenues, expenditures and unexpended fund balance were reported accurately in the AFR and grant funds were utilized in accordance with guidelines for operational and optional rotation programs.
Benefits Proportionality Audit	200		Low	Finance	N/A	Legislative mandate to review the university's salary expenditures and associated employee benefits funded through the State of Texas general revenue appropriation to ensure compliance with the General Appropriations Act. FY 2020 & 2021.
FY 2021 Financial Audit - Final	20		N/A	Finance	N/A	Required assistance to Deloitte for FY 2021 UT System wide AFR audit final work.
FY 2022 Financial Audit - Interim	10		N/A	Finance	N/A	Required assistance to Deloitte for FY 2022 UT System wide AFR audit interim work.
Audits/Reviews by External Agencies	100		N/A	N/A	N/A	Assistance to external agencies auditing UTRGV, such as the State wide Single Audit, Sponsored Program Reviews, etc.
TEC 51.9337 Compliance Assessment Audit	100		Medium	Purchasing/Supply Chain	N/A	Annual assessment that UTRGV has adopted the rules and policies required by Senate Bill 20.
Required Engagements Subtotal	**1230**	**12.5%**				
Investigations						
Reserve Hours for Investigations	300					Reserve for investigations.
Investigations Subtotal	**300**	**3.1%**				
Reserve						
Reserve Hours for Unanticipated Projects	500					Reserve for unanticipated projects.
Reserve Subtotal	**500**	**5.1%**				
Follow-Up						
1st Quarter	50					Follow up on all recommendations.
2nd Quarter	50					Follow up on all recommendations.
3rd Quarter	50					Follow up on all recommendations.
4th Quarter	50					Follow up on all recommendations.
Follow-Up Subtotal	**200**	**2.0%**				

The University of Texas Rio Grande Valley
FY 2022 Annual Audit Plan
FY 2022 Internal Audit Estimated Budget $748,464

FY 2022 Audit Plan	Budget	Percent of Total	Risk	Primary Taxonomy	Specialty Audit Used	General Objective/Description
Development - Operations						
UT System Meetings and Reporting	100					CAE weekly meetings and reporting requests.
Annual Audit Plan and Risk Assessments	350					Conduct risk assessments capturing critical and high risks and prepare annual audit plan for FY 2023.
Internal Quality Assurance Review	125					CAE to perform periodic internal quality assessments, includes follow up on EQAR.
Internal Audit Committee Meetings	250					Prepare and conduct Internal Audit Committee meetings, including meeting with external members.
Annual Internal Audit Report	100					Prepare FY 2021 Annual Internal Auditor's Report. State requirement; Due November 1, 2021
Development/Maintenance of Technologies	100					Maintain audit program libraries and templates and address technical issues.
Management of Audit Activity	700					Staff meetings to discuss updates/status of multiple audit projects, includes travel time between campuses.
Development - Operations Subtotal	**1725**	**17.6%**				
Development - Initiatives and Education						
UT System Audit Office Initiatives	100					Staff's participation in System Audit Office Initiatives, includes time related to Audit Management Software
Professional Development	700					Training for professional staff, includes CPE, non CPE and travel time.
Internal Audit Office Organization and Strategic Initiatives	100					Updating internal audit manual and procedures, finalize internal audit strategic plan and continue implementing external quality assurance review recommendations.
Professional Organizations	100					Staff's participation in professional organizations.
Development - Initiatives and Education Subtotal	**1000**	**10.2%**				
Total Budgeted Hours	**9805**	**100.0%**				

The University of Texas Rio Grande Valley
FY 2022 Annual Audit Plan
Available Audit Hours

Calculation of Available Hours	CAE Director	Management Team	Staff	Total	%
Audit Hours*	1,519	2,886	5,400	**9,805**	73%
Non-Audit Hours:					
General Administration	249	500	700	1,449	11%
Holidays	112	224	392	728	5%
Vacation & Sick Leave	200	550	788	1,538	11%
Total Available Hours	2,080	4,160	7,280	13,520	100%
Gross Budgeted Positions (# of FTEs)				7.0	
Position Vacancies (# of FTEs)				-0.5	
Net Positions (# of FTEs)				6.5	

Reminders:

AUDIT HOURS SHOULD BE EQUIVALENT TO TOTAL BUDGETED HOURS ON TAB A - AUDIT PLAN

Audit Hours SHOULD include co-source staffing for engagements that are on the audit plan in Appendix A

Audit Hours SHOULD *NOT* include students/interns unless they will be tracking time in TEC *(non-typical)*

Audit Hours SHOULD include Training/CPE hours in Development - I&E section *(was included in Non-Audit Hours in in past years)*

	Total	Holiday	V/S Leave	GA	Projects
CAO	2,080	112	200	249	1,519
Director	2,080	112	300	250	1,418
Assistant Director	2,080	112	250	250	1,468
Senior Auditor	2,080	112	225	200	1,543
Senior Auditor	2,080	112	225	200	1,543
Senior IT Auditor	2,080	112	225	200	1,543
Auditor	2,080	112	225	200	1,543
	14,560	784	1,650	1,549	10,577
Less 50% estimated vacancy	(1,040)	(56)	(112)	(100)	(772)
	13,520	728	1,538	1,449	9,805

Estimated vacancy 50%

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

The University of Texas Rio Grande Valley
Office of Audits & Consulting Services
Critical & High Risks Not on FY 2022 Audit Plan

The risk assessment process identified critical and high risks that were not included in the FY 2022 audit plan. The following is a list of these risks and the mitigation strategies for each.

Detailed Risk Description	Risk Mitigation Strategies
Not assisting businesses with the contracting process and state and federal certifications due to loss of funding	Management is working to address this and have improved deliverables that determine funding.
Poor attendance at performances and productions	No performances due to pandemic. Many people vaccinated and attending events.
Students not returning for subsequent semester; faculty resource issue impacts courses available	Academic/Health Affairs co-own retention risk. Strategic Enrollment has a communication plan to encourage returning students to continue enrollment in subsequent semesters, via print mail, email, text messages, and phone calls. Strategic and targeted messages are sent to all students who are eligible to enroll but have not enrolled, which includes registration reminders, clearing holds, and taking care of pending items to clear their financial aid and scholarship eligibility.
Lack of timely processing of graduate student degree audits, course substitutions and waivers so Degree Works will reflect accurate and timely information to students. Negative impact on student enrollment, retention & graduation. High risk for compliance with Financial Aid Course Program of Study (CPOS) requirement starting Fall 2021	Graduate College in the process of implementing Degree Works for graduate programs. Project is behind schedule, therefore an alternative plan for CPOS may be needed for Fall 2021.
Impact of COVID on Athletics: student athlete welfare, competition, ticket sales, sponsorships, etc.	University community and Athletics working with athletes and students to address issues caused by the pandemic, exit interviews, Zoom meetings
Loss of revenue from cancelled events due to COVID	Contracts, Penalty fees, Monthly Reporting on Lost Revenue
Lack of processes for care in training room	In process, New Associate Athletic Director for Sports Medicine
Poor graduation rates, APR and retention. Academic Performance Fund (failure to earn units)	Athletic Academic Service Unit, resources for SA studying during travel, Virtual Tutoring, hired employee to work with At-Risk student athletes, APR Education, Annual meeting with President.
Uncertainty related to implementation of the new state legislation related to name image likeness	Legal and Compliance will be addressing, future education
Potential for spread of infectious disease.	In Development - Licensing has lifted all restrictions including no longer requires masks, social distancing, temperature taking, hand sanitizing before entering facility, reduced capacity or visitors and parents are allowed in facility. Will need to defer to institutional COVID practices in Fall 2021.
Financial Accountability -SOM Accounting Roles and Institutional Finance roles overlapping	Management is addressing the overarching structure, including understanding the extensive job responsibilities within SOM and any duplication already conducted by Financial Services or others (HR, SE, etc.). Items under consideration include: (1) need to enhance the lines of communication; (2) understanding of job responsibilities: and (3) the seriousness in which work/reports needs to be provided to Financial Services.

The University of Texas Rio Grande Valley
Office of Audits & Consulting Services
Critical & High Risks Not on FY 2022 Audit Plan

Detailed Risk Description	Risk Mitigation Strategies
Lack of infrastructure to support human subject research before committing the institution to the study	Management is addressing risk with the potential for a feasibility committee in consultation with the SOM
loss of funding due to noncompliance with sponsor fund agreements due to lack of or limited oversight	Management is addressing risk through reporting structure changes.
Noncompliance of HIPAA regulations may result in significant financial penalties as well as reputational damage	HIPAA Privacy Manual completed, located in Health Affairs P&P web page. Hybrid Entity Policy in process of being completed. Compliance Office updated HIPAA training (to be taken every 2yrs). Required employee Online training for all SOM employees; HIPAA training to be more detailed for SOM clinical staff; Compliance Office working on HIPAA GAP analysis.
Noncompliance with regulations and accreditation may result in significant financial penalties as well as reputational damage	Compliance Office is evaluating
Risk of non-compliance with accreditation standards and statutory/regulatory requirements	LCME Accreditation: Currently under Preliminary Status; New SOM Dean to allocate appropriate resources to address risk.
Security compromise due to insider threats	Chief Information Security Officer is addressing risk
Incomplete inventory of electronic medical devices from acquired medical facilities	Management is addressing risk through new inventory process.
Risk of unallowable costs charged to HEERF Grants. HEERF Grant funds have their own set of guidelines. Guidelines are not consistent between HEERF I, II, and III grants received.	HEERF high level workgroup to address risk. HEERF Initiatives: Helping 2020 student recoup GPA; Faculty focus on 1st year students; focus on helping Seniors with over 120hrs to graduate
Not receiving accurate or timely information to perform role of project PI (oversight activities)	Constant communication, review of policies, involvement of key members, meetings to discuss the issuance of funds, UT System approval of plans
Risk of unallowable expenses being charged to institutional and MSI portions	Constant communication, review of policies, involvement of key members, meetings to discuss the issuance of funds, UT System approval of plans
Inadequate staffing to address needs and communications with officials at local, state and federal levels and across the disbursed region resulting in missed opportunities	Management is addressing through budget process
Not providing valuable university assistance to entrepreneurs	Management is addressing through reallocation of resources.
Risk of not safeguarding information, risk of exposure of personal information, risk of inappropriate access	Requests for access are vetted and questioned as needed to (1) ensure access is given only where appropriate need exists, and (2) to mitigate risks associated with access that is too general and broad and/or allows for altering of data not owned by particular users; audit requested by VP
Noncompliance with federal or state financial aid requirements	At the beginning of every year the financial aid management team reviews all award amounts, eligibility, and banner programming for accuracy and compliance with federal and state financial aid requirements. A continuous review takes place throughout the year by the program coordinators.

The University of Texas Rio Grande Valley
Office of Audits & Consulting Services
Critical & High Risks Not on FY 2022 Audit Plan

Detailed Risk Description	Risk Mitigation Strategies
Inaccurate Return to Title IV calculations, processes, and timeliness	100% review for Returning to Title IV calculations and enrollment reporting also has 100% review
Not adding New Locations and Programs to the Department of Education Program Participation Agreement (PPA) can result in awards given to ineligible students.	There is a process in place to report new locations and programs. When there is a new program or location is created the President's office informs stakeholders including financial aid and financial aid determines if PPA needs to be updated. Critical rating because failure to report new locations and new programs can result in refunding the Department of Education for students awarded in unreported locations and programs.
Students are not able to register for the classes needed to graduate timely	Enrollment Systems and Data Analysis provides daily reports during the enrollment cycles to constituents across campus to monitor enrollment, including a Closed Class report for Academic Affairs to use to assess whether new courses can be added or increase class max capacities.
Risk of ineligible athletes competing	The institution employs two individuals in the Office of the University Registrar (OUR) who report outside of the athletics department: the Assistant Registrar for NCAA Certification, and the NCAA Certification Coordinator. These two individuals work closely with the Athletics Compliance Office to verify and monitor academic eligibility for Student Athletes, as well as to ensure that eligibility calculations are performed accurately and timely.
Not knowing about 50% or more teaching at a location without having received proper approvals	There is a process in place to report new locations and programs. When there is a new program or location is created the President's office informs stakeholders including financial aid and financial aid determines if PPA needs to be updated. Critical rating because failure to report new locations and new programs can result in refunding the Department of Education for students awarded in unreported locations and programs.
Safety of minors; noncompliance with state and federal rules and regulations	There is Youth Program Support Manager position to provide support and youth programs reside in College Access and K-12 Partnerships for oversight. We have established guidelines in place and HOP policy under committee review.
Not being able to track and intervene with students of concern; risk to student safety; and managing student conduct processes	Staff involved in student conduct and Dean of Students complete have annual training as a way to mitigate risks. Weekly meeting on high complex cases.
Risk to safety and academic progress for individuals with disabilities; not complying with ADA rules and regulations in purchasing practices of services/software, facilities/grounds, and online content	EIR committee made up of campus representatives to review software purchases to ensure compliance with ADA rules and regulations. OIED released a web content training on web accessibility which is a required training for all web content managers. Student Accessibility Services (SAS) completes professional development and SAS works with COLT to provide training and information to faculty on making materials accessible. A statement is included on all syllabi regarding ADA accommodations.
Cash Management- inaccurate financial reporting, inaccurate drawdowns, and insufficient policies and procedures	Weekly Strategic Enrollment Audit Meetings and a monthly meeting with Student Accounting, Internal Audits, and IT held to discuss monitoring results and process improvements. Several levels of monitoring frequently performed. Audited annually by the State Auditor's Office.

The University of Texas Rio Grande Valley
Office of Audits & Consulting Services
Critical & High Risks Not on FY 2022 Audit Plan

Detailed Risk Description	Risk Mitigation Strategies
Inaccurate verification of FAFSA items and no monitoring process	Weekly Strategic Enrollment Audit Meetings and a monthly meeting with Student Accounting, Internal Audits, and IT held to discuss monitoring results and process improvements. Several levels of monitoring frequently performed. Audited annually by the State Auditor's Office.
Difficulty in reconciling WS due to PS system limitations.	Monthly recon process is in place to ensure reconciliations are completed. However, system limitations exist that makes it difficult to reconcile timely. For example, 1) fringe benefits are charged to federal WS accounts inaccurately, 2) closed accounts are being expensed causing reconciliation differences, 3) incorrect accounts are selected in the ePAF system causing reconciliation differences, 4) students getting paid from incorrect accounts due to position number business process within PS.
Risk of inaccurately awarding HEERF Emergency Financial Aid Grants to eligible students as each set of HEERF Grant funds have their own set of guidelines. Guidelines are not consistent between HEERF I, II, and III grants received.	Management ensured that ESF-HEERF funds were awarded only to eligible students by utilizing guidance gathered from a compilation of resources made available by U.S. Department of Education (ED). This included but not limited to Frequently Asked Questions, Funding Certification and Agreement, electronic announcements, Federal Register, and webinars. Using this guidance, institutional reports were developed to review and determine student eligibility.
CPoS will be implemented in Fall 2021. The student system delivered process will help ensure only courses for a degree are paid with financial aid funds. Due to this new process, close monitoring will be required to ensure compliance.	Department of Education (ED) requires that institutions ensure financial aid funds are used to pay for courses that apply to a student's degree plan. Course Program of Study (CPoS) is the process that is run to identify courses within a student's degree plan. Courses that do not apply towards a student's degree plan will be ineligible for financial aid.
Enrollment Perspective: Timely adjustment of course schedule if COVID related variant were to arise, to properly and timely notify students of course modality changes. HS Perspective: Utilized develop tactics and efforts established if COVID related variants were to arise, to continue support of high school and 2-year college students.	Enrollment Perspective - Collaborate with academic colleges to expedite updating of course schedule and disseminate information to students and campus community on a timely basis. Similar procedures were followed for Summer/Fall 2020 and Spring 2021. Communicate with high school partners via regularly scheduled counselor and individual program updates to ensure continuity of recruitment/ admissions processes and program services through online modality and/or safe in-person high school visits.
Awards given to ineligible students	At the beginning of every year the financial aid management team reviews all award amounts, eligibility, and banner programming for accuracy and compliance with federal and state financial aid requirements. A continuous review takes place throughout the year by the program coordinators.
NCAA sanctions	Athletics Council, Athletics Compliance Office Monitoring
Compliance violations and adverse exposure to radioactive materials and radiation producing devices. This can result in violations, fines, and shutdown of research.	Program is deficient due to the increase in the number and complexity of radiation producing devices without a corresponding increase in safety personnel. We do not have the adequate number of personnel necessary to provide adequate surveillance. We are in the process of coordinating with the SOM on the need for additional personnel. We will also review with the RSO to address the PET Scan equipment to be installed at the Institute of Neuroscience.

The University of Texas Rio Grande Valley
Office of Audits & Consulting Services
Critical & High Risks Not on FY 2022 Audit Plan

Detailed Risk Description	Risk Mitigation Strategies
Total aid awarded is in excess of the student's financial need	At the beginning of every year the financial aid management team reviews all award amounts, eligibility, and banner programming for accuracy and compliance with federal and state financial aid requirements. A continuous review takes place throughout the year by the program coordinators. Over award reports run.
Satisfactory Academic Progress for financial aid not calculated accurately.	A review process is in place prior to SAP process is initiated to ensure accurate posting of status. A new process is under development, 100% data analysis review of SAP will ensure SAP accuracy.
Failure to report a Title IX or Clery Act incident	Education, Awareness
Not fostering an environment that promotes diversity and inclusion - Staff	Athletics Council, Diversity and Inclusion Plan, Gender Equity Working Group, Campus Resources, Hiring Practices
Student-Athlete or Athletic staff health emergencies insufficiently addressed	Health emergency response training, Exit Physicals, New Associate Athletic Director for Sports Medicine, Working with the SOM
Not having accurate and up to date medical records that meet legal standards	Athena, Partner with the school of medicine, Quarterly billing meetings
Unidentified/Inadequate concussion response	Defined concussion protocol, concussion baseline testing, adding technology in the area to help assist in testing
Undetected or undisclosed medical history risks	Physical evaluations, record requests, baseline EKGs
Failure of the Campus Advising Office to oversee Student Athlete Eligibility Certification calculations	Academic Advising Subcommittee, Policies and Procedures, Compliance Office Monitoring
Not being able to meet Conference membership expectations	Constant conversations, communications and monitoring
Inadequate facilities for athletic programs	Maintenance grounds plan, deferred maintenance plan, financial capital projects plan, inspections, working on the University Master Plan, Fundraising
Risk of injury/death of children	Age of children makes them vulnerable to injury. Video surveillance cameras aids in investigation of incidents. Employees receive training including CPR and maintain coverage to never leave children unsupervised.
Income earned may not be reported	Parking permits are posted to student accounts and employee parking permits are processed via payroll deduction. Results in reduced cash handling and improved reconciliation between PS and T2 (3rd party system). However, unreconciled variance is significantly less but remains, nonetheless. Dept has been instructed to reconcile daily between T2 and system feeds and daily cash deposits.

The University of Texas Rio Grande Valley
Office of Audits & Consulting Services
Critical & High Risks Not on FY 2022 Audit Plan

Detailed Risk Description	Risk Mitigation Strategies
Potential for spread of infectious disease.	In FY 2021, more extensive and frequent cleaning and disinfection protocols, social distancing and masks required. Primary impact to Transportation. In Fall 2021 will defer to UTRGV COVID protocols.
Potential for spread of infectious disease.	COVID-19 protocols were approved by IDC, select COVID accommodations were identified and de-densifying to single occupancy units in FY 2021. Training was provided to student employees and full-time staff to monitor and enforce preventive measures such as social distancing, removing amenities, contactless check-in/out, etc. Fall 2021 plans are to expand capacity to double occupancy and increase in-person programming activities and amenities.
Potential for spread of infectious disease.	Protocols have been established to exceed cleaning and disinfection processes. Training has been provided to student and full-time staff to monitor and enforce preventive measures such as social distancing, physical distancing of equipment, removing amenities, scheduling of patrons to maintain 25% capacity limitations, etc. Fall 2021 plans are to expand services and capacity, subject to university approval.
Inaccurate space counts for reduced capacities and not having enough space	If current COVID-19 university protocols change, and all classroom and lab capacities return to normal for the Fall '21 semester, this risk objective will be a moot point.
Faculty in high-risk areas unaware of their responsibility and role when engaging in international travel or when hiring foreign nationals	Attestation form for the hiring of foreign nationals; Export Controls office is notified of any foreign shipments; Export Controls is included in foreign travel notifications;
Lack of training of current P&P which may lead to non-compliance	Currently Research Compliance efforts are mainly to review and screen protocols.
Foreign influence of theft of IP and research data	Mitigation plans for foreign influence are being conducted. Constant meeting w State and Federal agencies;
Fixed Cost Agreements (Contracts) may have excessive residual balances which may threaten the non-profit status of the institution and/or subject the institution to unrelated business income tax liability.	Policy on Fixed Cost Contracts defines and establishes residual balances. 10% -to department; 90% moved to Finance. G&C coordinating w Academic Affairs to deny requests for extension dates. FY 21 Fixed Costs Contracts audit currently in progress.
Allowability of Costs-Compensation Cost	Effort Certifications are processed timelier; Time & Effort moved to Grants & Contracts; G&C requires PI to complete T&E training for all new awards
Subrecipient Monitoring to ensure proper stewardship of sponsor funds	Grants & Contracts has developed a subrecipient monitoring process
Grant proposal submissions may miss deadlines due to last minute requests and inability to timely perform required compliance checks with limited staff	Management will address through continuous communication.

The University of Texas Rio Grande Valley
Office of Audits & Consulting Services
Critical & High Risks Not on FY 2022 Audit Plan

Detailed Risk Description	Risk Mitigation Strategies
Cost Share/ Commitments are not documented/identified by authorized personnel by deadlines may result in unnecessary voluntary cost share	Mandatory Cost share accounts are created. Unvoluntary/uncommitted cost share in not tracked, affects effort certifications.
Non sponsored contracts not appropriately reviewed	Management is addressing with good communication with Accounting & Finance.
Due to the complexity of international travel, and foreign employees, students, visitors, there is a risk that UTRGV may not comply with the law and regulations	Highly complex operations with much coordination with other departments; New Depts under EVP; immigration laws changed recently. Audit completed in FY20
Not being able to expand the programs	Management will address
Not utilizing the full functionality of EMR system exposes the university to risks and financial loss due to inefficiencies and lack of information	PWC is currently reviewing billing interfaces with partner hospitals as well as opportunities for improvement.
No/minimal contracts with hospitals, providers for timely payment or non-compliance of contract terms.	Monthly DHR joint council committee meets and reviews issues & topics.
Lack of revenue contract management- Invoicing, accounts receivable, collections., resulting in failure to properly collect and account revenue	FY 2021 Fixed Costs Contracts Audit in progress will address this risk.
Lack of Compliance with UT System UTS 155 MSRDP.	FY 2021 MSRDP Audit in Progress will address this risk.
Lack of compliance with federal regulations - Affordable Care Act (Equifax)	Regular monitoring of ACA eligibility. Regular monitoring and audit of Federal ACA Reporting to IRS.
Risk of non-compliance with accreditation standards and statutory/regulatory requirements in new program development	Management addressing risk
Possible physical harm to the public during Special Events	Increased FTE's and reduced vacancies. Conduct Special Event Plan's for large events. Recommending the placement of Bollards to specific locations to eliminate access to the campus community.
Annual Security Report (ASR) not encompassing all required elements.	1) Clery Coordinator has been hired. 2) A Clery Committee has been put in place to address all required Clery elements in the ASR. 3) Sub committees are being formed to address specific elements. 4) The Clery Committee is in the process of receiving Clery training.
Risk that processes may not be in place which are needed in the areas of faculty development, 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).	New SOM Dean to address sufficiency of faculty and administrative staff for accreditation requirements

The University of Texas Rio Grande Valley
Office of Audits & Consulting Services
Critical & High Risks Not on FY 2022 Audit Plan

Detailed Risk Description	Risk Mitigation Strategies
Compliance and adverse exposure to an infectious agent or chemical. Compliance issues including violations, fines and shut down of research.	Program is deficient due to the significant increase in research involving infectious agents without a corresponding in the number of laboratory safety personnel. We have been approved to hire another laboratory safety person to provide adequate surveillance.
Compliance and adverse exposure to an infectious agent or chemical. Compliance issues including violations, fines and shut down of clinical operations.	Program is deficient due to the significant increase in number of clinical sites without a corresponding in the number of laboratory safety personnel. We have been approved to hire another laboratory safety person to alleviate the deficiency.
Sensitive personal or institutional information is lost or stolen due to a security breach	Internal facing scans and periodic desktop virus scans.
Loss, theft, or damage of insufficiently secured controlled or confidential data (e.g., research data and intellectual property)	Management is addressing issue thru a project under way by the Data Governance Committee
Loss or destruction of information resources or breach of network due to velocity of change/expansion, lack of information security planning, or introduction of security flaws during routine application updates from third parties	UTRGV relies on 3rd party vendors to safeguard their systems.
Destruction or compromise of resources due to connection of unidentified and/or insecure devices	Network Access Control (NAC) system in the process of being implemented.
Reduced ability to secure and monitor critical resources, respond to IT and IS requests, and timely address service failures due to insufficient or unskilled staff	Stimulus funding temporarily helps mitigate this risk.
Loss of equipment intentionally removed from campus without authorization or fraudulently reported as damaged or stolen and not returned	The IT Governance Committee is addressing the issue
Decentralized IT groups not adhering to centralized processes and protocols creates broad data and network security concerns.	Incorporated most decentralized groups into the IT governance structure.
Not having a system that can accurately and effectively assign, track, and engage the members of the institution. Not updating training content regularly.	Compliance Office is addressing

SECTION VI
External Audit Services Procured in Fiscal Year 2021

EXTERNAL AUDIT SERVICES PROCURED IN FISCAL YEAR 2021

Report Date	Type of Service	Objective
December 11, 2020	Deloitte and Touche performed an independent audit on the UT System consolidated financial statements.	Express an opinion on the UT System consolidated financial statements and related notes for the years ending August 31, 2020 and 2019.
January 15, 2021	NCAA Agreed-Upon Procedures conducted by UT System Audit Office.	Performed procedures to evaluate whether the Statement of Revenues and Expenses of UTRGV's Department of Intercollegiate Athletics is in compliance with NCAA Bylaw 3.2.4.16 for FY 2020.
Ongoing	FY 2021 follow up on prior findings in the Statewide Single Audit for FY 2020 conducted by the Texas State Auditor's Office.	Follow up on one prior year finding for the Student Financial Assistance Cluster and follow up on three prior year findings for the Education Stabilization Fund.

SECTION VII
Reporting Suspected Fraud and Abuse

The University of Texas Rio Grande Valley
Reporting Fraud
Fiscal Year Ending August 31, 2021

Reporting Suspected Fraud and Abuse

To comply with the requirements of Section 7.09, Page IX-37, General Appropriations Act (86th Legislature), and Section 7.09, Page IX-38, General Appropriations Act (87th Legislature), a link for Fraud Reporting was created at the bottom of The University of Texas Rio Grande Valley's website 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:

> https://www.utrgv.edu/audits/report-fraud/index.htm
>
> "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 @ **1-877-882-3999**."

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.

To comply with the Coordination of Investigation requirements of Texas Government Code, Section 321.022, the UTRGV Office of Audits and Consulting Services notifies the Texas State Auditor's Office of Investigations and Audit Support when investigations of fraud are conducted. The University of Texas System Administration's Audit Office is also notified.