

# The University of Texas Rio Grande Valley



*Brownsville • Edinburg • Harlingen*

## ANNUAL INTERNAL AUDIT REPORT FISCAL YEAR 2019

**Office of Audits and  
Consulting Services**



October 31, 2019

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

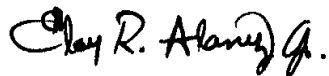
We are pleased to submit the Office of Audits and Consulting Services' Annual Internal Audit Report for the fiscal year ended August 31, 2019. This report is required by the Texas Internal Auditing Act and provides information on the assurance services, consulting services, and other activities of the UTRGV internal audit function.

During fiscal year 2019, we issued audit reports that have enhanced University operations and provided value to management with recommendations relating to governance, risk management, and control processes at The University of Texas Rio Grande Valley.

We will post the Annual Internal Audit Report on the UTRGV website by November 1, 2019 as required by the Texas Government Code, *Section 2102.015*.

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

Respectfully submitted,



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

Office of Audits and Consulting Services  
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## TABLE OF CONTENTS

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	SECTION
<b>Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit Information on Internet Web site</b>	<b>I.</b>
<b>Internal Audit Plan for Fiscal Year 2019</b>	<b>II.</b>
<b>Consulting Services and Non-Audit Services Completed</b>	<b>III.</b>
<b>External Quality Assurance Review (Peer Review)</b>	<b>IV.</b>
<b>Internal Audit Plan for Fiscal Year 2020</b>	<b>V.</b>
<b>External Audit Services Procured in Fiscal Year 2019</b>	<b>VI.</b>
<b>Reporting Suspected Fraud and Abuse</b>	<b>VII.</b>

Office of Audits and Consulting Services

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

**The University of Texas Rio Grande Valley**  
**Office of Audits and Consulting Services**  
**Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan, Internal Audit Report, and Other Audit information on Internet Web site**  
**Fiscal Year Ending August 31, 2019**

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 2020 Internal Audit Plan and fiscal year 2019 Internal Audit Annual Report is **due November 1, 2019**. 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 2019**

**The University of Texas Rio Grande Valley**  
**Office of Audits & Consulting Services**  
**Deviations from the UTRGV Audit Plan**  
**Fiscal Year Ending August 31, 2019**

**Explanation of Deviations from Audit Plan**

The FY 2019 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, four audits/projects were in progress with two audits/projects currently in the draft report phase: Athena Access Management and CARA Center Audit.

We adjusted the FY 2019 plan twice during the year and received approval by the UTRGV Internal Audit Committee. The FY 2019 original plan was revised to include two new consulting engagements: Athletics Risk Management Plan and a special request to perform a review of USDA's NIFA Program's Travel Expenses. We re-purposed hours from other engagements that were not completed by 8/31/2019. Most of these audits were reassessed and carried forward to FY 2020 audit plan while some were dropped. For instance, the implementation of PeopleSoft's Student Information System, Campus Solutions, was postponed indefinitely. UTRGV will continue to use the Banner System. The Cybersecurity Incident Detection/Response Audit was dropped due to UT System Information Security Office's system wide initiative to evaluate UT Institutions response to incidents. The budgeted time for these projects was added to the budgets of the audits completed. These hours were used to offset overages on completed audits/projects where unanticipated circumstances arose due to the complexities of audits/projects.

Refer to the FY 2019 Annual Audit Plan Status Report for details.

The University of Texas Rio Grande Valley  
FY 2019 Annual Audit Plan

FY 2019 Audit Plan	Original Budget	Additions/ Deletions	Revised Budget	Percent of Total	Status as of August 31, 2019	Report Date
<b>Risk Based Audits</b>						
Clery Act Audit	-	-	-		Inadvertently not carried forward from FY 2018 - Report Issued #17-RBA-012	11/30/2018
TAC 202 Audit	-	-	-		Inadvertently not carried forward from FY 2018 - Report Issued #17-EXT-017	10/25/2018
Clinical Revenue Operations Audit	450	0	450		Not Completed - Reassessed and included in FY 2020 Audit Plan	
Federal Financial Aid Audit	300	0	300		Not Completed - Reassessed and included in FY 2020 Audit Plan	
NCAA Compliance - Financial Aid Audit	350	0	350		Not Completed - Reassessed and Replaced with Eligibility in FY 2020	
Global Engagement Audit	350	0	350		Carryforward - FY 2020 Audit Plan	
Bursar Audit	300	0	300		Carryforward - FY 2020 Audit Plan	
Cost Transfers Audit	300	0	300		Carryforward - FY 2020 Audit Plan	
Cloud/3rd Party Security Management Audit	300	0	300		Not Completed - Reassessed and included in FY 2020 Audit Plan	
Cybersecurity Incident Detection/Response (CIDR) Audit	300	0	300		Cancelled - UT System Information Security Initiative	
PeopleSoft Post Implementation Audit	300	0	300		Cancelled	
MSRDP (Faculty Practice Plan) Audit	300	0	300		Not Completed - Reassessed and included in FY 2020 Audit Plan	
FY 2018 Carryover - IT Governance Audit	200	0	200		Report Issued #18-RBA-04	2/27/2019
FY 2018 Carryover - Clinical Revenue Operations Audit (UT Health RGV Rheumatology Clinic)	200	0	200		Report Issued #18-RBA-03	5/30/2019
FY 2018 Carryover - Storm Water Audit	100	0	100		Memo issued 1/25/2019	1/25/2019
FY 2018 Carryover - CARA Audit	200	0	200		In progress - draft report	
<b>Risk Based Audits Subtotal</b>	<b>3950</b>	<b>0</b>	<b>3950</b>	<b>40.4%</b>		
<b>Risk Based Consulting Projects</b>						
Tuition Revenue Cycle	350	0	350		Carryforward - FY2020 Audit Plan	
Financial Aid Data Analysis	300	0	300		Completed	
PeopleSoft Implementation - Campus Solutions	200	0	200		Cancelled	
EMR (Athena Health) Implementation	150	0	150		In progress - draft report	
Procurement Card & Travel Card Monthly Analysis	150	0	150		Completed; exception reports provided to management for review	
SACSCOC-Accreditation	75	0	75		Completed	
Other Committee Meetings	150	0	150		Completed	
Internal Controls Training	200	0	200		Completed	
Assistance to Other Departments	225	0	225		Completed	
Athletics Risk Management Plan	0	200	200		Completed	
Special Request - USDA NIFA Travel Expenses Review	0	200	200		Internal Memo Issued	8/30/2019
<b>Risk Based Consulting Subtotal</b>	<b>1800</b>	<b>400</b>	<b>2200</b>	<b>22.5%</b>		
<b>Reserve</b>						
Operational Projects	200	(200)	0		N/A	
Management Requests	200	(200)	0			
<b>Reserve Subtotal</b>	<b>400</b>	<b>(400)</b>	<b>0</b>	<b>0.0%</b>		
<b>Required Audits</b>						
FY 2018 UT System wide Financial Audit - Final	40	0	40		Completed work for Deloitte - UT System consolidated audit	
FY 2019 UT System wide Financial Audit - Preliminary	10	0	10		Completed work for Deloitte - UT System consolidated audit	
McAllen Family Practice Operational Grant	200	0	200		Report Issued #19-REQ-28	12/21/2018
NCAA Agreed Upon Procedures Audit	300	0	300		Assisted UT System	
TEC 51.9337 Compliance Assessment	50	0	50		Completed and issued with FY 2018 Annual Internal Auditor's Report	11/1/2018



The University of Texas Rio Grande Valley  
FY 2019 Annual Audit Plan

FY 2019 Audit Plan	Original Budget	Additions/ Deletions	Revised Budget	Percent of Total	Status as of August 31, 2019	Report Date
Joint Admission Medical Program (JAMP)	150	0	150		Report Issued #19-REQ-031	10/30/2018
Audits/Reviews by External Agencies	100	0	100		Completed	
Assistance on President's Travel & Entertainment	50	0	50		Completed	
<b>Required Audits Subtotal</b>	<b>900</b>	<b>0</b>	<b>900</b>	<b>9.2%</b>		
<b>Investigations</b>						
Investigations	300	0	300		Internal Memo Issued	11/30/2018
<b>Investigations Subtotal</b>	<b>300</b>	<b>0</b>	<b>300</b>	<b>3.1%</b>		
<b>Follow-Up</b>						
1st Quarter	50	0	50		Completed	
2nd Quarter	50	0	50		Completed	
3rd Quarter	50	0	50		Completed	
4th Quarter	50	0	50		Completed	
<b>Follow-Up Subtotal</b>	<b>200</b>	<b>0</b>	<b>200</b>	<b>2.0%</b>		
<b>Development - Operations</b>						
UT System/SAO External Reporting	200	0	200		Completed	
Annual Audit Plan and Risk Assessment	350	0	350		Completed	
Internal Audit Council Meetings	100	0	100		Completed	
Internal Audit Committee Meetings	200	0	200		Completed	
TeamMate and Other Technologies	150	0	150		Completed	
Management of Audit Activity	400	0	400		Completed	
<b>Development - Operations Subtotal</b>	<b>1400</b>	<b>0</b>	<b>1400</b>	<b>14.3%</b>		
<b>Development - Initiatives and Education</b>						
UT System Audit Office Initiatives	100	0	100		In progress	
Continuing Professional Education	600	0	600		Completed	
Internal Audit Office Organization and Strategy	119	0	119		Ongoing	
<b>Development - Initiatives and Education Subtotal</b>	<b>819</b>	<b>0</b>	<b>819</b>	<b>8.4%</b>		
<b>Total Budgeted Hours</b>	<b>9769</b>	<b>0</b>	<b>9769</b>	<b>100.0%</b>		

**The University of Texas Rio Grande Valley  
FY 2019 Observations, Recommendations, and Action Plans**

REPORT NO.	REPORT DATE		OBSERVATIONS/FINDINGS AND RECOMMENDATIONS	MANAGEMENT RESPONSES/ACTION PLANS	IMPLEMENTATION STATUS
16-05	7/14/2016	Asst. VP Research Sponsored Programs	Develop comprehensive UTRGV formal policies and procedures that provide guidance and accountability for adherence to processes and should address Academics and the School of Medicine. Policies and procedures help ensure management directives are carried out towards achievement of management goals and objectives, and risks are managed. Also institution wide training should be conducted to disseminate information about processes, rules and regulations.	OSP and ORC are finalizing the UTRGV formal policies. These policies are to be presented to the Policy Committee for approval. Expected approval date is June 30, 2017. OSP and ORC are updating the OSP and ORC Handbook/Manual expected completion date June 30, 2017.	Ongoing
16-06	7/15/2016	Payment Card Industry Data Security Standards	The Associate VP for Financial Services should work with Information Technology and the Office of the CISO to define roles and responsibilities for ensuring PCI DSS compliance.	Management concurs with the recommendation noted above. The Office of Financial Services/Comptroller, CIO, and CISO will develop and implement policy guidelines with the goal of ensuring that business processes for accepting electronic payments comply with the 12 components of PCI DSS. Each of the 12 components has undergone an initial review and the office of Treasury, CIO, or CISO, or a combination of these offices have been identified as the responsible party for each of the 12 PCI DSS components. CISO, in collaboration with CIO and Treasury, will develop and maintain an information security policy to ensure that strong controls that are appropriately integrated with the University's financial and information technology systems are put in place.	Ongoing
			The Associate Comptroller in collaboration with the Associate VP for Financial Services should initiate and work with Information Technology to complete a PCI DSS self-assessment. A self-assessment needs to be performed on an annual basis or when a major change to UTRGV's payment card processing environment occurs.	Management concurs with recommendation and will set guidelines to ensure that the PCI DSS self-assessment questionnaires are completed on an annual basis or when a major change to UTRGV's payment card processing environment occurs.	Ongoing
18-REQ-14	1/24/2018	UTS 142.1 Segregation of Duties in Account Reconciliations	Not all elements of the monitoring plan have been implemented. Reconciliation training was ineffective and insufficient and reference material was outdated. We recommended the Office of Accounting and Reporting (OAR): Improve training program and identify resources for reconciliation assistance. Periodically request feedback from reconcilers to continue to assess and improve the training program.	Work closely with the new trainer in Business Information Systems to offer account reconciliation training and support, including periodically attending trainings to answer questions and obtain feedback from attendees.	Ongoing
17-EXT-017	10/28/2018	TAC 202	Confidential	Confidential	Ongoing
			Confidential	Confidential	Fully Implemented
			Confidential	Confidential	Fully Implemented
			Confidential	Confidential	Ongoing
19-REQ-031	10/31/2018	Joint Admission Medical Program	<b>No Findings</b>		
17-RBA-012	11/30/2018	Clery Act Audit	The Police Department should have a designated Clery Compliance Officer/Coordinator. This should be an individual who coordinates all the university's Clery reporting and oversees training efforts, including overseeing all Campus Security Authorities. One individual could help ensure that efficient and effective reporting is achieved.	Implemented	Fully Implemented

**The University of Texas Rio Grande Valley  
FY 2019 Observations, Recommendations, and Action Plans**

REPORT NO.	REPORT DATE		OBSERVATIONS/FINDINGS AND RECOMMENDATIONS	MANAGEMENT RESPONSES/ACTION PLANS	IMPLEMENTATION STATUS
			The Police Department should create written procedures to develop the annual Security & Fire Safety Report. These procedures should indicate the individuals responsible for preparing sections of the report as well as the necessary steps to ensure adequate support documentation is obtained.	Recommendation accepted. The Clery Coordinator and police department personnel who have been responsible producing the ASR will meet to create written procedures for the creation of the ASR.	Fully Implemented
			The Chief of Police should request that the UTRGV President establish an official Clery Committee.	Recommendation accepted. The Clery Coordinator and the Police Department will meet to create and submit a list of positions to be included in the Clery Committee to the President's Office. Once the list of positions is approved, the Clery Coordinator will create a schedule of quarterly meetings with the Clery Committee.	Fully Implemented
			The 2016 Security & Fire Safety Report should be revised to include the two incidents that were inadvertently omitted. In addition, the 2017 Security & Fire Safety Report should be revised to include the two incidents that were omitted from the prior year.	2016 & 2017 ASR's have been updated to reflect the two inadvertently omitted incidents.	Fully Implemented
			The Chief of Police should ensure that UTRGV reports fires in the prescribed format indicated by The Handbook for Campus Safety and Security Reporting when preparing the annual Security & Fire Safety Report.	The prescribed format was not used in the 2015 ASR, however, the correct format was utilized in 2016 and thereafter.	Fully Implemented
			The Chief of Police should revise the wording on the UTRGV home page from "Clery Crime Reports" to "Clery Crime Reports and Daily Crime and Fire Logs." Additionally, the Police Department website should be revised to include wording on the Daily Fire log to clearly indicate that the information can be found on the website.	Due to web page limitations the web link "Clery Crime Reports" has been changed to "Clery Act Reports". The police department web site has been revised to clearly reflect the availability of the Daily Fire Log.	Fully Implemented
			The Chief of Police should add the Chief Real Estate and Space Planning Officer to the Clery Working Group so that the individual may validate the university property listed on the annual <i>Security &amp; Fire Safety Report</i> . The Chief Real Estate and Space Planning Officer should inform the Police Department when new properties are acquired or leased so that the Police Department has the most accurate Clery reporting information. Notification should also occur when any leases or contracts are terminated.	The Real Estate Office is one of the positions that will be included as a Clery Committee member and will provide quarterly reports. The Real Estate Office has been attending Clery Committee meetings this past year.	Fully Implemented
19-REQ-28	12/21/2018	McAllen Family Practice Residency Program	<b>No Findings</b>		
18-RBA-04	2/27/2019	IT Governance	The CIO should formalize the IT governance structure as proposed.	The proposed governance structure is being further developed with the naming of and training, potential committee members. In addition, the committee charters, meeting agendas, areas of responsibility and the infrastructure to support the committees are being developed. Once completed the committees will be set up.	Fully Implemented
			The CIO should present the ITIL governance framework to the newly formed IT and Data Strategy Steering Committee and implement the full framework.	Will work to set up a meeting in early January after which the framework will be implemented through the committee structure.	Fully Implemented

**The University of Texas Rio Grande Valley  
FY 2019 Observations, Recommendations, and Action Plans**

REPORT NO.	REPORT DATE		OBSERVATIONS/FINDINGS AND RECOMMENDATIONS	MANAGEMENT RESPONSES/ACTION PLANS	IMPLEMENTATION STATUS
18-RBA-03	5/30/2019	UT Health RGV Rheumatology Clinical Operations Audit	Clinic management should monitor key metrics related to charge capture and charge entry lag times and develop an action plan to ensure claims do not miss any payer claim filing deadlines.	We recently implemented an Open Records report and it is set to run automatically twice a week on Mondays and Fridays. Since this review an additional report will run on Wednesdays to ensure we capture any records that will fall out of the 72 hour window from one day to the next. In addition, the Revenue Cycle team continues to expand to increase the number of staff. We are working diligently to decrease the lag time from when the note is complete to the date the claim is sent. We have recently added a Senior Healthcare Application Analyst who is working with the Revenue Cycle to increase the number of charges sent from the front office staff. Athena is set-up to have claims released from the front desk and we are testing 2 clinics to make sure this function works before we roll it out across all the UT Health RGV sites. One is Rheumatology. These two significant plans should help decrease the lag time tremendously. UT Health RGV is considering updating the policy requesting that Ambulatory records be completed "same day" also to encourage faster completion time.	Fully Implemented
			Clinic management should continue to create new revenue cycle policies that reflect the new processes created with the Athena implementation. The assignment of Athena reconciliations should be considered a priority. Also, TOS collections should be reconciled to deposit payment batches daily.	This is a high priority. With the new office managers, the daily reconciliation process will be part of the daily closing process. Each PSR will need to reconcile and deposit their batch as well as complete the daily checkout required by the bursar's office and daily monitoring done by the office managers. Revenue Cycle will intermittently audit clinic staff to ensure they are reconciling their cash daily, closing their payment batches daily or by next day, and reconciling their bank deposits to TOS monies daily report. In addition, office managers will be responsible to ensure that deposits are picked up weekly and either deposited in the bank or taken to the bursar's office in either Edinburg or Brownsville. Clinical Affairs Management will continue to work with the Bursar's office, Auditing Department, Accounting and Finance Department to address any reconciliation or TOS deposits issues.	Fully Implemented
			3.1) Clinic management should ensure that all cash handlers take the required Cash Handling Training. 3.2) Clinic Management should eliminate the issuing of a written receipt. Athena receipts have enough information to perform reconciliations.	Clinical Operations Management team will ensure all PSR's are trained in the required Cash Handling Training. All new employees will be required to have Cash Handling Training within 30 days of employment. All current PSR's will be retrained over the next 60 days. All current employees will also be required to have Cash Handling Training once a year. We are aware the requirement is every 2 years, but we will require training once a year. Clinical Affairs office managers will keep a record of all employees trained electronically. The elimination of the written receipt has occurred across all the UT Health RGV clinical sites. The written receipt will stay at any clinic not using Athena.	Fully Implemented

**The University of Texas Rio Grande Valley  
FY 2019 Observations, Recommendations, and Action Plans**

REPORT NO.	REPORT DATE		OBSERVATIONS/FINDINGS AND RECOMMENDATIONS	MANAGEMENT RESPONSES/ACTION PLANS	IMPLEMENTATION STATUS
			<p>4.1) Clinic management should ensure that all clinics have updated new patient forms that are consistent with the policies of UTRGV and the School of Medicine Ambulatory Policies and Procedures Manual. 4.2) Clinic staff should ensure that a scanned copy of these documents is available for each patient before they are shredded. 4.3) Clinic staff should obtain the missing documents for those three patient files tested and consider reviewing other patient files for missing documents.</p>	<p>4.1) The clinical operations team has confirmed all forms have been updated. Management will inform at the next staff meeting regarding the gathering of new patient forms, to include; Notice of Privacy Practices, Release of Billing Information and Assignment of Benefits. Anytime the forms are updated the staff will need to be notified so new signatures can be obtained from the patient. 4.2 &amp; 4.3) We will inform the staff at the next staff meeting they are required to check every Athena chart before the forms are shredded making sure the forms have been captured prior to shredding. In addition, we will advise clinical staff at the next staff meeting that they will need to hold all forms for 60 days with patient signatures prior to shredding. At every visit the staff member scanning the forms will be responsible to confirm all documents have been completed by the patient.</p>	<p>Fully Implemented</p>

**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, 2019**

Senate Bill 20 (85<sup>th</sup> 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 2019, 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-45 of the General Appropriations Act (85th 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 completed on August 31, 2018. A compliance audit of Benefits Proportionality Funding is included in the FY 2020 Audit Plan and will focus on FY 2018 and FY 2019.

**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, 2019**

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 annually through its risk assessment process when developing its internal audit plan. An audit of fixed costs contracts is currently on the FY 2020 Audit Plan. **(Refer to Section V – Internal Audit Plan FY 2020).**

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 to the state auditor **(Refer to TEC §51.9337 Compliance in Section II).**

**SECTION III**  
**Consulting Services and**  
**Nonaudit Services Completed**



## SECTION III

## CONSULTING SERVICES AND NON-AUDIT SERVICES COMPLETED

<b>Date Completed</b>	<b>Name of Engagement</b>	<b>High-Level Non-Audit Services Objective(s)</b>	<b>Observations/Findings and Recommendations</b>	<b>Fiscal Impact/Other Impact</b>
November 30, 2018	Investigation	Evaluate allegations of improper use of funds related to a Program at UTRGV.	Not substantiated.	Fiscal and Compliance
January 25, 2019	Stormwater Task Force Consulting Services	Review FY 2017 and 2018 expenditures for appropriateness, validity, and approvals; review compliance with delegation of authority on interlocal agreements; identify all sources of funds deposited into the Stormwater Project and determine accuracy of revenue recorded in general ledger; determine compliance with applicable policies and procedures.	Inadequate oversight of revenues and expenses; incomplete account reconciliations and other internal control deficiencies. Significant improvements recommended in control processes and accountability over financial and administrative procedures for this project.	Fiscal, Operations and Compliance
February 6, 2019	Athletics Risk Management Plan	Assist Athletics Management by facilitating the discussion and development of a risk management plan for all areas of the Athletics Program.	Risks identified and ranked, and controls identified to mitigate the risks. Athletics subcommittees were established to manage and monitor the risks.	Fiscal, Operations and Compliance
August 30, 2019	United States Department of Agriculture's (USDA) National Institute of Food and Agriculture (NIFA) Program	Assess travel expenses compliance on various USDA NIFA sponsored projects in accordance with USDA NIFA's objectives for fiscal year 2012-2018. Objectives included: Lack of prior approval to travel application and travel not related to program objectives.	Internal control weaknesses resulting in some travel expense noncompliance. Improvements to travel oversight was recommended.	Fiscal and Compliance

## SECTION III

## CONSULTING SERVICES AND NON-AUDIT SERVICES COMPLETED

<b>Date Completed</b>	<b>Name of Engagement</b>	<b>High-Level Non-Audit Services Objective(s)</b>	<b>Observations/Findings and Recommendations</b>	<b>Fiscal Impact/Other Impact</b>
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

**SECTION IV**  
**External Quality Assurance Review**  
**(Peer Review)**

**The University of Texas Rio Grande Valley  
Office of Audits and Consulting Services  
External Quality Assurance Review  
Fiscal Year Ending August 31, 2019**

In early 2017, The University of Texas System Audit Office engaged Baker Tilly to perform an independent validation of the UTRGV's Office of Audit and Consulting Services' Quality Assurance Review self-assessment. The UTRGV Office of Audits and Consulting Services completed its self-assessment on August 14, 2017, and it was our overall opinion that the UTRGV internal audit program Generally Conforms to the Institute of Internal Auditor's *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics. In addition, the UTRGV internal audit program is in conformance with the Texas Internal Auditing Act and *Generally Accepted Government Auditing Standards*

The review team consisted of three internal audit professionals with extensive higher education experience and were onsite on August 28-29, 2017. The final report was issued and a copy of the report is attached.

August 29, 2017

Mr. Eloy R. Alaniz, Jr., Chief Audit Executive  
The University of Texas Rio Grande Valley

In August 2017, University of Texas Rio Grande Valley (UTRGV) 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). UTRGV OACS engaged an independent review team consisting of three internal audit professionals with extensive higher education 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 OACS' conformity to the Institute of Internal Auditor'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 internal audit 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 internal audit 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 UTRGV 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 UTRGV.

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*

**SECTION V**  
**Internal Audit Plan for Fiscal Year**  
**2020**

# The University of Texas Rio Grande Valley



*Brownsville • Edinburg • Harlingen*

## Office of Audits and Consulting Services

### FISCAL YEAR 2020 AUDIT PLAN

Approved by: Internal Audit Committee  
Date: July 6, 2019



**TABLE OF CONTENTS**

**Background .....1**

**Audit Universe and Risk Assessment Methodology .....1**

**Scope of Audits .....2**

**Budget and Staffing .....5**

**Calculation of FY 2020 Audit Hours .....5**

**Approval of the Audit Plan .....5**

**Appendices**

    Appendix A ~ FY 2020 Audit Plan (Budgeted Hours)..... 6

    Appendix B ~ FY 2020 Available Audit Hours ..... 7



## ***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 has been prepared for fiscal year (FY) 2020. 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 2020 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 2020 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) risks or high (orange) risks identified on the risk list, either an audit or project is included in the Annual Audit Plan (**Appendix A**) or an explanation/mitigation strategy has been provided on the risk list 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 School of Medicine’s Faculty Practice Plan and Clinical Operations, Medical Devices, Cloud Security Management which covers TAC 202 requirements, Cost Transfers and Federal Financial Aid.

### **Required Audits (Externally and Internally)**

The UT System Board of Regents approved an independent CPA firm to conduct the FY 2019 UT System-wide Consolidated Financial Audit. Interim procedures will be conducted during the months of July of 2019, and year-end procedures will be conducted in October of 2019. 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 an operational grant to the McAllen Family Practice Residency Program and an audit will be conducted to determine that funds were utilized based on specific guidelines. An audit of Executive Travel & Entertainment will be conducted in accordance with UT System requirements. In addition, a Benefits Proportionality Audit will be performed covering fiscal year 2018 and 2019.

In accordance with the Texas Education Code §51.9337(h) – “The chief auditor of an institution of higher education shall annually assess whether the institution has adopted the rules and policies required by this section and shall submit a report of findings to the state auditor.” This compliance assessment will be conducted in October 2019 and the certification will be included in the Annual Internal Audit Report.

### **Consulting Projects**

Consulting engagements related to clinical revenues reconciliations, enrollment reporting data analytics as well as procurement and travel card analysis are planned. Follow up on UT Systemwide security assessment initiatives will be performed. The Office of Audits & Consulting Services will also provide internal controls training to institutional departments.

### **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.

### **General Reserve**

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 a quality assurance self-assessment in preparation for an independent validation, external quality assurance review.

### **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 2020 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 University 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 25 years of audit experience. The director has 25 years of audit experience and is a CIA and a Certified Government Auditing Professional (CGAP). The assistant director has 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 a CGAP. Our senior IT auditor is a CISA.

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

### ***CALCULATION OF FY 2020 AUDIT HOURS***

The number of audit hours available for FY 2020 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 **9,417** hours for audits, consulting and development by the audit staff and management. The FY 2020 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 May 29, 2019.
- The UTRGV Audit Committee – Audit plan approved on June 6, 2019.
- The UT System Board of Regents – Audit plan provided on August 9-10, 2019.

**The University of Texas Rio Grande Valley  
FY 2020 Annual Audit Plan**

FY 2020 Audit Plan	Original Budget	Percent of Total	General Objective/Description
<b>Assurance Engagements</b>			
UTS 142.1 - Monitoring Plan & Account Reconciliations Audit	200		Perform audit of UTRGV's Monitoring Plan, including subcertifications and assertions on segregation of duties and account reconciliations.
Diabetes & Obesity Institute Audit	400		Evaluate the adequacy and effectiveness of internal controls over financial, administrative and information security.
Fixed Costs Contracts Audit	300		Evaluate processes over fixed cost contracts.
Banner System Access Audit	200		Evaluate Role Based Access to ensure access is restricted to its student financial assistance information system.
UT Health RGV Pediatric Specialty Clinic Audit	300		Efficiency and effectiveness of front end revenue processes as well as review of internal controls of clinical operations.
UT Health RGV Surgery & Women's Specialty Clinic Audit	300		Efficiency and effectiveness of front end revenue processes as well as review of internal controls of clinical operations.
Medical Devices Audit	300		Evaluate processes to protect information resources within medical devices.
NCAA Compliance - Eligibility Audit	300		Determine whether policies and procedures are in place to administer and monitor the eligibility of student-athletes in accordance with NCAA legislation.
Cloud/3rd Party Security Management Audit	300		Utilize technical and investigative audit discovery techniques to identify and review cloud hosting solutions/systems being utilized by the institution. Meets TAC 202 requirements.
MSRDP (Faculty Practice Plan) Audit	250		Evaluate adherence to practice plan bylaws.
Federal Financial Audit	300		Audit of Student Financial Assistance Cluster - Verification, Return of Title IV Funds, Enrollment Reporting, Cash Management, Cost of Attendance, Satisfactory Academic Performance.
FY 2019 Carryforward - Cost Transfers Audit	200		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. Audit will be performed under GAGAS.

**The University of Texas Rio Grande Valley  
FY 2020 Annual Audit Plan**

FY 2020 Audit Plan	Original Budget	Percent of Total	General Objective/Description
FY 2019 Carryforward - Global Engagement Audit	150		Evaluate the effectiveness of existing policies and procedures related to international programs and to determine the adequacy of controls that ensure compliance with relevant governmental regulations, and university policies and procedures.
FY 2019 Carryforward - Bursar's Office Audit	100		Assess the processes over cash controls in the Bursar's Office.
<b>Assurance Engagements Subtotal</b>	<b>3600</b>	<b>38.2%</b>	
<b>Advisory and Consulting Engagements</b>			
Enrollment Reporting Data Analysis	250		Develop scripts to analyze Banner data with National Student Clearinghouse and National Student Loan Data Services data to mitigate federal noncompliance.
Clinical Revenue Reconciliations	250		Assist Clinical Administration with clinical revenue reconciliations.
FY 2019 Carryforward - Tuition Revenue Cycle	350		Requested by management to identify best practices over tuition revenue cycle.
Procurement Card & Travel Card Monthly Analysis	50		Provide Procurement & Travel Offices with monthly exception reports on card activity.
UT Systemwide Security Assessments	50		Follow up on Systemwide security assessments for UTRGV.
Other Committee Meetings	200		Attend campus committees and other meetings with management.
Training and/or assistance to Institutional Depts.	300		Provide internal controls training or assistance to UTRGV supervisors, cost/project center reviewers and/or departments.
<b>Advisory and Consulting Engagements Subtotal</b>	<b>1450</b>	<b>15.4%</b>	
<b>Required Engagements</b>			
Benefit Proportionality Audit	200		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 2018 & 2019.

**The University of Texas Rio Grande Valley  
FY 2020 Annual Audit Plan**

<b>FY 2020 Audit Plan</b>	<b>Original Budget</b>	<b>Percent of Total</b>	<b>General Objective/Description</b>
FY 2019 UT System wide Financial Audit - Final	35		Required assistance to Deloitte for FY 2019 UT System wide AFR audit final work.
FY 2020 UT System wide Financial Audit - Interim	25		Required assistance to Deloitte for FY 2020 UT System wide AFR audit interim work.
McAllen Family Practice Operational Grant Audit	200		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.
NCAA Agreed Upon Procedures Audit	300		Perform the required annual NCAA Agreed Upon Procedures for FY 2019.
Executive Travel & Entertainment Audit	350		Audit of Executive Management travel & entertainment expenses.
TEC 51.9337 Compliance Assessment	50		Internal Audit shall annually assess whether UTRGV has adopted the rules and policies required by Senate Bill 20.
Assistance on President's Travel & Entertainment	50		Assistance to UT System Audit
Audits/Reviews by External Agencies	100		Assistance to external agencies auditing UTRGV, such as the State wide Single Audit, etc.
<b>Required Engagements Subtotal</b>	<b>1310</b>	<b>13.9%</b>	
<b>Investigations</b>			
Investigations	200		Reserve for investigations.
<b>Investigations Subtotal</b>	<b>200</b>	<b>2.1%</b>	
<b>Reserve</b>			
Operational Projects Requests	100		Reserve to conduct audits, consulting, internal control reviews, and/or other assurance activities as requested from UTRGV management, UT System or external sources.
<b>Reserve Subtotal</b>	<b>100</b>	<b>1.1%</b>	
<b>Follow-Up</b>			
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.
<b>Follow-Up Subtotal</b>	<b>200</b>	<b>2.1%</b>	
<b>Development - Operations</b>			



**The University of Texas Rio Grande Valley  
FY 2020 Annual Audit Plan**

<b>FY 2020 Audit Plan</b>	<b>Original Budget</b>	<b>Percent of Total</b>	<b>General Objective/Description</b>
UT System Meetings and Reporting	125		CAE weekly meetings, IA Council and reporting requests.
Annual Audit Plan and Risk Assessments	300		Conduct risk assessments capturing critical risks and prepare annual audit plan for FY 2021.
Quality Assurance & Improvement Program	250		Conduct self evaluation in preparation for independent validation.
Internal Audit Committee Meetings	300		Conduct and prepare for Internal Audit Committee meetings.
Annual Internal Audit Report	100		Prepare FY 2019 Annual Internal Auditor's Report. State requirement; Due November 1, 2019
TeamMate and Other Technologies	150		Maintain TeamMate audit program libraries and templates and address technical issues.
Management of Audit Activity	350		Staff meetings to discuss updates/status of multiple audit projects, includes travel time between campuses.
<b>Development - Operations Subtotal</b>	<b>1575</b>	<b>16.7%</b>	
<b>Development - Initiatives and Education</b>			
UT System Audit Office Initiatives	100		Staff's participation in System Audit Office Initiatives.
Continuing Professional Education	600		Training for professional staff, includes travel time.
Internal Audit Office Organization and Strategic Initiatives	182		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.
<b>Development - Initiatives and Education Subtotal</b>	<b>982</b>	<b>10.4%</b>	
<b>Total Budgeted Hours</b>	<b>9417</b>	<b>100.0%</b>	

**The University of Texas Rio Grande Valley  
FY 2020 Annual Audit Plan**

Calculation of Available Hours	Management			Total	%
	CAO	Team	Staff		
Audit Hours*	1,468	2,836	5,113	<b>9,417</b>	70%
Non-Audit Hours:					
General Administration	250	500	700	1,450	11%
Holidays	112	224	392	728	5%
Vacation & Sick Leave	250	600	1,075	1,925	14%
<b>Total Available Hours</b>	<b>2,080</b>	<b>4,160</b>	<b>7,280</b>	<b>13,520</b>	<b>100%</b>
Gross Budgeted Positions (# of FTEs)				7	
Position Vacancies (# of FTEs)				0	
Net Positions (# of FTEs)				<b>7</b>	

**\*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	250	250	1,468
Director	2,080	112	300	250	1,418
Assistant Director	2,080	112	300	250	1,418
Senior Auditor	2,080	112	300	200	1,468
Senior Auditor	2,080	112	300	200	1,468
Senior IT Auditor	2,080	112	300	200	1,468
Auditor	2,080	112	300	200	1,468
	<b>14,560</b>	<b>784</b>	<b>2,050</b>	<b>1,550</b>	<b>10,176</b>
Less 50% estimated vacancy	(1,040)	(56)	(125)	(100)	(759)
	<b>13,520</b>	<b>728</b>	<b>1,925</b>	<b>1,450</b>	<b>9,417</b>

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 2020 Audit Plan**

The risk assessment process identified critical and high risks that were not included in the FY 2020 audit plan. The following is a list of these risks and the mitigation strategies for each.

Detailed Risk Description	Risk Mitigation Strategies
Students not returning for subsequent semester; faculty resource issue impacts courses available	Strategic Enrollment Management meets with key Academic & Health Affairs personnel bi-weekly to discuss major issues, including student retention.
Degree Works - Dual Roles-staffing, negative effect on enrollment	Strategic Enrollment Management meet with key Academic & Health Affairs personnel bi-weekly to discuss major issues, including the efficient use of Degree works.
Implementation of football and expansion of other sports is not successful	Risk to be addressed by the Athletic Director, EVP for Finance and President.
Improper staffing and resources in campus departments that work with Athletics	Hired an outside consultant - Forward Progress - Athletics Compliance Committee will address this risk
Failure to have institutional oversight by the Registrar's Office for Athletics	Hired an outside consultant - Forward Progress - Athletics Compliance Committee will address this risk
Lack of acceptance of new Athletics initiatives - University Community	Athletics Culture & Leadership Development Committee will address this risk
Not investing in competitive success for Athletics	Athletics Business & Finance Committee will address this risk
Insufficient resources to market Athletics	Athletics Business & Finance Committee will address this risk
Failure to log sports medicine treatments for medical billing	Athletics Business & Finance Committee will address this risk
Failure to report a Title IX or Clery Act incident	Athletics Student Athlete Experience, Success, and Welfare Committee will address this risk
Student-athletes are not aware of available Title IX resources	Athletics Student Athlete Experience, Success, and Welfare Committee will address this risk
Noncompliance of HIPAA regulations may result in significant financial penalties as well as reputational damage	Compliance Office-Responsible Area--Required employee Online training for all SOM employees; HIPAA training to be more detailed for SOM clinical staff; Compliance Office has started a GAP analysis.
Researcher fails to disclose a Conflict of Interest or fails to update the disclosures from previous reporting	Consideration for FY2021 Audit Plan; Institutional Compliance addressing
Inability to retain quality faculty due to market and budgetary conditions	EVP for Academic Affairs is addressing risk.

**The University of Texas Rio Grande Valley**  
**Office of Audits & Consulting Services**  
**Critical & High Risks Not on FY 2020 Audit Plan**

<b>Detailed Risk Description</b>	<b>Risk Mitigation Strategies</b>
Not obtaining reaffirmation, loss of accreditation	Monitoring done weekly by EVP for Academic Affairs; weekly workgroup meetings for Financial Aid and Enrollment reporting compliance.
Risk to student safety and not adhering to rules and regulations (Title IX, Clery Act, SaVE Act)	Shared risk/responsibilities with Security, Legal, Student Success; Institutional Compliance Office to conduct Title IX Gap analysis/Action Plan due to new structure, updated processes; new roles & responsibilities; separation of duties; tools; coordination of investigations
Not being able to track and intervene with students of concern; risk to student safety	AVP for Student Success and EVP for Academic Affairs.
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	Chief Information Officer & Chief Information Security Officer are prioritizing and addressing issues with EVP for Finance and Administration;
Loss of data, damaged reputation, reduced funding, and incurring associated fines for non-compliance with security-related regulations (e.g., FERPA, PCI, etc.)	Chief Information Security Officer is addressing this risk with the EVP for Finance and Administration, especially for PCI compliance.
Exposure to devices and network resources due to outdated applications and/or unpatched systems	Consideration for FY2021 Audit Plan
Loss or destruction of information resources or breach of network due to velocity of change/expansion and lack of information security planning.	IT Governance Audit completed. IT Governance structure in place and operating.
Complex partner (DHR, Knapp, Valley Baptist, & MMC) interfaces to Athena Health not implemented in a timely manner.	Clinical Affairs Management is addressing risk with the Asst. Chief Information Officer for School of Medicine.
Students are not able to register for the classes needed to graduate timely	Strategic Enrollment Management meets with key Academic & Health Affairs personnel bi-weekly to discuss major issues, including availability of courses. This is a faculty resource issue.
Not knowing about 50% or more teaching at a location without having received proper approvals	Ad hoc committee established to review process related to instruction changes or additions at locations.
Operating in a foreign country; enrollment services	Management is aware of risk; staff currently utilizing technology to communicate with new students.

**The University of Texas Rio Grande Valley**  
**Office of Audits & Consulting Services**  
**Critical & High Risks Not on FY 2020 Audit Plan**

Detailed Risk Description	Risk Mitigation Strategies
Possible physical harm to the public during Special Events	Conducting special event plans for large events and recommending Bollards to specific locations to eliminate access to the campus community.
Injury to personnel, fines associated with non-compliance with regulations. Loss of research funding due to non-compliance with regulations	Reviewing the need for additional personnel as volume of clinical and research activities involving infectious agents and the use of radiation producing equipment increases.
Annual Security Report (ASR) not encompassing all required elements.	Clery Act Audit was just completed -- 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 receiving continuous Clery training.
Risk of injury/death of children	Staff receive professional development and training. Video surveillance cameras in place to view incidents.
Athletics strategic goals and annual core priorities are not being met negatively impacting the department	Athletics Culture & Leadership Development Committee will address this risk
Inability to increase the Athletics budget	Athletics Business & Finance Committee will address this risk
Consistent losing records in major revenue sports	Risk to be addressed by the Athletic Director
NCAA sanctions	Athletics Compliance Committee will address this risk
Possible non-compliance with NCAA bylaws resulting in penalties and loss of revenue, fines, loss of reputation, loss of scholarships, probation	Athletics Compliance Committee will address this risk
Not investing in your Student-Athlete welfare	Athletics Student Athlete Experience, Success, and Welfare Committee will address this risk
Not attracting, developing and retaining quality staff	Athletics Culture & Leadership Development Committee will address this risk
Not fostering an environment that promotes diversity and inclusion - Athletes	Athletics Student Athlete Experience, Success, and Welfare Committee will address this risk
Not fostering an environment that promotes diversity and inclusion - Staff	Athletics Culture & Leadership Development Committee will address this risk
Lack of sensitivity to different cultures, genders, races, and personal identities	Athletics Culture & Leadership Development Committee will address this risk
Not fostering an environment that is free of gender bias	Athletics Culture & Leadership Development Committee will address this risk

**The University of Texas Rio Grande Valley  
Office of Audits & Consulting Services  
Critical & High Risks Not on FY 2020 Audit Plan**

Detailed Risk Description	Risk Mitigation Strategies
Not implementing a gender equity plan	Athletics Culture & Leadership Development Committee will address this risk
Failure to provide adequate oversight by the Athletic Council	Athletics Compliance Committee will address this risk
Consensual Relationships contrary to policy between student-athletes and staff	Athletics Student Athlete Experience, Success, and Welfare Committee will address this risk
Consensual Relationships contrary to policy between supervisors and direct reports	Athletics Culture & Leadership Development Committee will address this risk
Injury or unsafe conditions created by unauthorized trespassers into Athletic facilities	Athletics Operations & Safety Committee will address this risk
Student-Athlete or Athletic staff health emergencies insufficiently addressed	Athletics Student Athlete Experience, Success, and Welfare Committee will address this risk
Not having accurate and up to date medical records that meet legal standards for student athletes	Athletics Compliance Committee will address this risk
Theft of drugs/misuse or unauthorized use or unauthorized distribution of drugs	Athletics Compliance Committee will address this risk
Poor graduation rates, APR and retention	Athletics Compliance Committee will address this risk
Safety, reputation and compliance risks during recruit campus visits	Athletics Compliance Committee will address this risk
Inadequate disclosure by student-athletes of immigration status	Athletics Compliance Committee will address this risk
Fear of reporting incidents by student athletes	Athletics Student Athlete Experience, Success, and Welfare Committee will address this risk
Inadequate compliance monitoring; failure to become an emerging research institution	EVP for Research communicating with Health Affairs to address.
Lack of a single EMR System creates inconsistency in tracking relevant information for healthcare operations programs	EMR implemented in August of 2018 to address lack of single system. UT Health RGV clinics utilize ATHENA; billing interface with partner hospitals in progress.
No/minimal contracts with hospitals, providers for timely payment or non-compliance of contract terms.	Affiliation agreements; annual operating agreements-true up reporting; monthly DHR joint council committee meets and reviews issues & topics.

**The University of Texas Rio Grande Valley**  
**Office of Audits & Consulting Services**  
**Critical & High Risks Not on FY 2020 Audit Plan**

<b>Detailed Risk Description</b>	<b>Risk Mitigation Strategies</b>
Risk of non-compliance with accreditation standards and statutory/regulatory requirements in new program development for SOM	UTRGV has worked diligently to create new program development and new course development; Doctorate in Physical Therapy; working on Doctorate in Occupational Therapy, Physical Therapy, Nurse Practitioner, Podiatry; approval for interpreter training program; increasing masters programs.
Non sponsored contracts not appropriately reviewed	Central repository for all contracts and agreements in progress.
Allowability of Costs-Compensation Cost	Mapping PeopleSoft Earning Codes to ECRT categories; Effort Certifications are processed timelier; Time & Effort moved to Grants & Contracts; ECRT Upgrade; G&C requires PI to complete T&E training for all new awards
Subrecipient Monitoring to ensure proper stewardship of sponsor funds	Director of Grants & Contracts will address risk.
Foreign influence of theft of IP and research data	Addressed in action plan with UT System and Compliance
Export Controls - unknowingly collaborating with restricted entities/parties	Increased Training/Awareness; Contracts are reviewed by OSP; International agreements reviewed by Assoc VP or VP; Visual Compliance being used; Export Controls Manual on website. Institutional Compliance Office is monitoring.
Faculty in high-risk areas unaware of their responsibility and role when engaging in international travel or when hiring foreign nationals	Export Controls Officer is providing increased training to faculty to address risk; export controls included in in foreign travel notifications. Institutional Compliance Office is monitoring.
Investigator not following IACUC protocols	Developed post approval monitoring process of protocols.
Lack of oversight of protection of human subjects program by researchers deviating from protocols	Research Compliance as well as Institutional Compliance are addressing this risk.
Lack of awareness of current P&P which may lead to non-compliance in research	Research Compliance is addressing this risk.
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	Global Engagement audit currently in progress to address risk.
Insufficient funding which would lead to inadequate resources for research, teaching and operations	EVP for Academic Affairs is addressing risk.

**The University of Texas Rio Grande Valley  
Office of Audits & Consulting Services  
Critical & High Risks Not on FY 2020 Audit Plan**

<b>Detailed Risk Description</b>	<b>Risk Mitigation Strategies</b>
Student advising, course selection, and degree planning tools are not effective resulting in delayed graduation	Academic & Health Affairs personnel meet bi-weekly with Strategic Enrollment Management to discuss student retention.
Safety of minors; noncompliance with state and federal rules and regulations	Compliance Office conducted a review of Minors on Campus. Working on implementation of training program for those individuals working with minors as well as implemented new processed. Working w deans/chairs on inventorying all programs, not just summer programs.
Risk to safety and academic progress for individuals with disabilities; not complying with ADA rules and regulations	Student Accessibility Audit completed; Ad hoc committee convened to address website accessibility and other issues identified in audit report as well as OCR review.
Not appropriately applying benefits; noncompliance with federal rules and regulations; negatively impacting academic progress and financial stability of student Veterans	EVP for Academic Affairs will address risk.
Lack of sufficient process and procedures that restricts/ impacts expression of free speech	Legal Affairs will address risk.
Insufficient training and process to ensure safety and oversight of student research	Student Success and Research Compliance are addressing risk.
Sensitive personal or institutional information is lost or stolen due to a security breach	Systemwide CISO will be doing Incident Response Health Check assessment in 4th qtr. FY19
Electronic health records are not complete, accurate, or available when needed	Clinical Affairs Management is addressing risk with the Asst. Chief Information Officer for School of Medicine. EMR implemented to address central location of medical records.
Loss, theft, or damage of insufficiently secured research data and intellectual property	IT Governance Audit completed. IT Governance structure in place and operating, including a Data Governance Committee.
Destruction or compromise of network resources due to connection of unidentified or unapproved devices	IT Governance Audit completed. IT Governance structure in place and operating. Chief Information Security Officer also addressing through increased university employee training.
Inability to perform core business functions due to system implementation issues	IT Governance Audit completed. IT Governance structure in place and operating.



**The University of Texas Rio Grande Valley  
Office of Audits & Consulting Services  
Critical & High Risks Not on FY 2020 Audit Plan**

<b>Detailed Risk Description</b>	<b>Risk Mitigation Strategies</b>
Increased service failures or exposure of information resources due to management of multiple data centers (e.g., configuration and change management, resource limitations, integration and complexity of interfaces, etc.)	Consolidation of multiple data centers and migration to ARDC and Austin Data Center.
Unauthorized use of portable/removable storage devices results in inadequate security of potential confidential data	Chief Information Security Officer is addressing through increased training of university employees.
Reduced ability to secure and monitor critical resources or address issues timely due to competing funding priorities	EVP for Finance and Administration addressing funding issues through prioritization.

**SECTION VI**  
**External Audit Services Procured in**  
**Fiscal Year 2018**

## EXTERNAL AUDIT SERVICES PROCURED IN FISCAL YEAR 2019

Report Date	Type of Service	Objective
January 15, 2019	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 2019.
November 7, 2018	Agreed Upon Procedures engagement conducted by Burton, McCumber and Longoria, LLP.	Determine effectiveness of correction action plans implemented by UTRGV to address Texas State Auditor findings regarding compliance with federal requirements for the Student Financial Assistance Cluster.
March 22, 2019	Review engagement of the UTRGV financial statements for the year ended August 31, 2018 conducted by Deloitte and Touche, LLP. Contracted through UT System Administration.	Determine whether material modifications should be made to the FY 2018 financial statements.
May 7, 2019	Schedule of Expenditures of Federal Awards (SEFA) audit and Student Financial Assistance Program conducted by Deloitte and Touche, LLP. Contracted through UT System Administration.	Express an opinion on the SEFA for the US Department of Education (DOE) Student Financial Assistance Program for the 2017-2018 award year and determine compliance with the DOE's requirements that could have a material effect on the Student Financial Assistance Program for the 2017-2018 award year.

**SECTION VII**  
**Reporting Suspected Fraud and Abuse**

**The University of Texas Rio Grande Valley**  
**Reporting Fraud**  
**Fiscal Year Ending August 31, 2019**

**Reporting Suspected Fraud and Abuse**

To comply with the requirements of Section 7.09, Page IX-38, General Appropriations Act (86th Legislature, Conference Committee Report), 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.

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