



Annual Internal Audit Report Fiscal Year 2024

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

Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan, Internal Audit Report, and Other Audit Information on Internet Website

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 2025 Internal Audit Plan and fiscal year 2024 Internal Audit Annual Report is due November 1, 2024. 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 the Texas Government Code, Section 2102.015, the FY 2024 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>.

FY 2025 Internal Audit Plan is 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 2024

Explanation of Deviations from the Audit Plan

The FY 2024 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 at the draft report stage awaiting management responses. Due to timing, eight of those were not issued by fiscal year end and the FY 2025 audit plan included those engagements. In addition, other engagements that were not started during the fiscal year were reassessed during the risk assessment and annual audit plan development process and either added to the FY 2025 Audit Plan or dropped.

Refer to the FY 2024 Annual Audit Plan Status Report for details.

Audit Plan Status Report as of August 31, 2024

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, 2024	Report/Memo Issue Date
Assurance Engagements								
NCAA Financial Aid Compliance Audit	300.00	0.00	300.00	0.00	300.00		Carryforward to FY 2025 Audit Plan	-
UT Health RGV Cosmetic Surgery Clinic Audit	250.00	0.00	250.00	422.50	(172.50)		Carryforward to FY 2025 Audit Plan	
Conflicts of Interest	300.00	0.00	300.00	0.00	300.00		Not Started - Reassessed and not included in FY 2025 Audit Plan	-
Medical School Practice Plan (MSRDP) Audit	250.00	0.00	250.00	0.00	250.00		Carryforward to FY 2025 Audit Plan	-
EPIC Audit	400.00	0.00	400.00	0.00	400.00		Carryforward to FY 2025 Audit Plan	-
Student Drop Processes Audit	400.00	0.00	400.00	85.00	315.00		Started and Cancelled; risk was addressed by management	-
Institutional Review Board (IRB) Audit	300.00	0.00	300.00	0.00	300.00		Carryforward to FY 2025 Audit Plan	-
University Staffing Audit	200.00	0.00	200.00	423.00	(223.00)		In Progress - Carryforward to FY 2025 Audit Plan	-
IT Governance/Procurement	250.00	0.00	250.00	153.00	97.00		In Progress - Carryforward to FY 2025 Audit Plan	-
School of Medicine IT Processes/Controls Audit	300.00	0.00	300.00	0.00	300.00		Not Started - Reassessed and not included in FY 2025 Audit Plan	-
Grant Draw Downs Audit	250.00	0.00	250.00	346.50	(96.50)		In Progress - Carryforward to FY 2025 Audit Plan	-
Clery Audit	150.00	0.00	150.00	72.00	78.00		In Progress - Carryforward to FY 2025 Audit Plan	-
UT Health RGV Surgical Clinic Audit	100.00	0.00	100.00	179.00	(79.00)		In Progress - Carryforward to FY 2025 Audit Plan	-
TEC 51.3525 Audit	0.00	200.00	200.00	227.00	(27.00)		Report Issued #24-AEN-55	-
Carryforward - CPAF Audit	0.00	0.00	0.00	0.00	0.00		Carryforward to FY 2025 Audit Plan	-
Carryforward - Multispecialty Clinic	0.00	50.00	50.00	16.50	33.50		Report Issued #23-AEN-02	1/8/2024
Carryforward - Cost Transfers	0.00	50.00	50.00	142.00	(92.00)		Report Issued #23-AEN-05	2/29/2024
Carryforward - Decentralized IT	0.00	75.00	75.00	203.00	(128.00)		Report Issued #23-AEN-13	7/10/2024
Carryforward - Student Housing & Residence Life Audit	0.00	0.00	0.00	0.00	0.00		Report Issued #23-AEN-08	9/20/2023
Assurance Engagements Subtotal	3,450.00	375.00	3,825.00	2,269.50	1,555.50	38.60 %		

Audit Plan Status Report as of August 31, 2024

Advisory and Consulting Engagements								
Athletics Consulting	250.00	0.00	250.00	0.00	250.00		Not Started - Reassessed and not included in FY 2025 Audit Plan	-
Institutional Committee Meetings and Adhoc Workgroups	450.00	0.00	450.00	147.50	302.50		Ongoing	-
Education, Training and Advice to Institutional Departments	300.00	0.00	300.00	867.00	(567.00)		Ongoing	-
Executive Leadership Meetings and Others	200.00	0.00	200.00	110.50	89.50		Ongoing	-
Accountability, Innovation, Maximization Consulting	300.00	0.00	300.00	37.00	263.00		Ongoing	-
Carryforward - iTravel + Consulting	0.00	25.00	25.00	26.50	(1.50)		Memo Issued	11/28/2023
Advisory and Consulting Engagements Subtotal	1,500.00	25.00	1,525.00	1,188.50	336.50	15.39 %		
Required Engagements								
NCAA Agreed Upon Procedures	40.00	0.00	40.00	17.00	23.00		Completed	-
McAllen Family Practice Residency Program Audit	125.00	0.00	125.00	118.00	7.00		Report Issued #24-REQ-20	1/22/2024
KNAPP Family Practice Residency Program Audit	125.00	0.00	125.00	111.00	14.00		Report Issued #24-REQ-21	1/22/2024
FY2023 Financial Audit - Final	10.00	0.00	10.00	0.00	10.00		No Assistance Provided	-
FY2024 Financial Audit - Interim	20.00	0.00	20.00	0.00	20.00		No Assistance Provided	-
Audits/Reviews by External Agencies	50.00	0.00	50.00	96.00	(46.00)		Ongoing	-
TEC 51.9337 Compliance Assessment Audit	25.00	0.00	25.00	29.50	(4.50)		Completed - Annual Internal Auditor's Report	10/31/2023
DHR Family Practice Residency Program Audit	0.00	125.00	125.00	104.50	20.50		Report Issued #24-REQ-47	1/22/2024
Required Engagements Subtotal	395.00	125.00	520.00	476.00	44.00	5.25 %		
Investigations								
Reserve Hours for Investigations	350.00	(250.00)	100.00	0.00	100.00			
Patient Appointment Scheduling Investigation	0.00	150.00	150.00	478.00	(328.00)			
Investigations Subtotal	350.00	(100.00)	250.00	478.00	(228.00)	2.52 %		
Reserve								
Reserve Hours for Unanticipated Projects	450.00	(325.00)	125.00	0.00	125.00			
Reserve Subtotal	450.00	(325.00)	125.00	0.00	125.00	1.26 %		

Audit Plan Status Report as of August 31, 2024

Follow-Up								
1st Quarter	50.00	0.00	50.00	37.00	13.00		Completed	-
2nd Quarter	50.00	0.00	50.00	34.50	15.50		Completed	-
3rd Quarter	50.00	0.00	50.00	25.00	25.00		Completed	-
4th Quarter	50.00	0.00	50.00	9.00	41.00		Completed	-
PCI Follow-up	75.00	0.00	75.00	0.00	75.00		Not Completed	-
Follow-Up Subtotal	275.00	0.00	275.00	105.50	169.50	2.78 %		
Development - Operations								
UT System Meetings and Reporting	100.00	0.00	100.00	137.50	(37.50)			
Annual Audit Plan and Risk Assessments	400.00	0.00	400.00	450.50	(50.50)			
Internal Quality Assurance Review	100.00	0.00	100.00	102.00	(2.00)			
Quality Assurance & Improvement Program - External Validation	75.00	0.00	75.00	19.00	56.00			
Internal Audit Committee Meetings	300.00	0.00	300.00	164.00	136.00			
Annual Internal Audit Report	54.00	0.00	54.00	10.50	43.50		Report Issued	10/31/2023
Development/Maintenance of Technologies	250.00	0.00	250.00	152.00	98.00			
Management of Audit Activity	800.00	0.00	800.00	985.00	(185.00)			
Development - Operations Subtotal	2,079.00	0.00	2,079.00	2,020.50	58.50	20.98 %		
Development - Initiatives and Education								
UT System Audit Office Initiatives	160.00	0.00	160.00	55.00	105.00			
Professional Development	800.00	(100.00)	700.00	640.50	59.50			
New Audit Management System Training	200.00	0.00	200.00	203.50	(3.50)			
Internal Audit Office Organization and Strategic Initiatives	100.00	0.00	100.00	136.00	(36.00)			
Professional Organizations	100.00	0.00	100.00	3.00	97.00			
Internal Auditing Education Partnership Program	50.00	0.00	50.00	41.00	9.00			
Development - Initiatives and Education Subtotal	1,410.00	(100.00)	1,310.00	1,079.00	231.00	13.22 %		
Total Audit Hours	9,909.00	0.00	9,909.00	7,617.00	2,292.00	100.00 %		

TEC Section 51.9337(h) Assessment

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 the fiscal year 2024, 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 the rules and policies required by TEC §51.9337. The review and revision of institutional policies are an ongoing process. These rules and policies will continue to be assessed annually to ensure continued compliance with TEC 51.9337.

FY 2024 Observations and Actions

REPORT NO.	REPORT DATE	REPORT NAME	OBSERVATIONS	MANAGEMENT RESPONSES/ACTION PLANS	IMPLEMENTATION STATUS
UTRGV-23-AEN-05	3/6/2024	Cost Transfers Audit	Payroll cost transfers over 90 days are not approved by the Director of Grants & Contracts. Payroll cost transfers are processed through a change in funding source (CFS) or change in job description (CJD) form; formerly change in personnel action form (CPAF). The approval workflow does not include the Director of Grants & Contracts when the cost transfer is over 90 days. Additionally, we noted that payroll cost transfers approved over 90 days did not have documented verification of effort statements not certified prior to processing the cost transfer.	The Grants and Contracts accountant will ID payroll cost transfer over 90 days and will review if Time and Effort has been certified. If no T&E has been certified will request approval from G&C Director. Once approved the accountant will add in their comment section the approval to the CFS/CDJ form. IF T&E has been certified the accountant will need to meet with PI about the request and review the details. Training on how to provide and review the details. Training on how to provide and review CFS/CDJ information will be available for G&C Accountants, PIs, and department support.	In Progress
UTRGV-23-AEN-05	3/6/2024	Cost Transfers Audit	<p>The Sponsored Project Expenditure Correction Request Form is not submitted for all cost transfers in accordance with policy ADM 07-303. We identified 5 non-payroll transactions without an expenditure correction form.</p> <p>The Office of Grants & Contracts approval of cost transfers is not formally documented on the expenditure correction form. The form lacks the Office of Grants & Contracts accountants' signature. In addition, we noted five instances where the Project Manager approval was not documented.</p>	Fall 2023 the Accounts Payable department implemented an automated process to submit expenditure corrections. This process has the capability to add attachments and has workflow approval.	In Progress
UTRGV-23-AEN-05	3/6/2024	Cost Transfers Audit	Cost transfer tested lacked sufficient documentation to support the transaction. We identified 17 cost transfers with insufficient support documentation to determine the allowability, allocability and benefit to project charged.	<p>Items department will submit through AP workflow are:</p> <p>Expenditure Correction Form for items over 90 days to document approvals not in the AP workflow.</p> <p>Supporting documents of expense.</p> <p>Comment box to enter justification of allowability for the project receiving the expense.</p> <p>Journal Entry Workflow are:</p> <p>Expenditure Correction Form</p> <p>Supporting documents of the expense.</p>	In Progress

FY 2024 Observations and Actions

REPORT NO.	REPORT DATE	REPORT NAME	OBSERVATIONS	MANAGEMENT RESPONSES/ACTION PLANS	IMPLEMENTATION STATUS
UTRGV-23-AEN-05	3/6/2024	Cost Transfers Audit	Cost transfer tested did not include adequate/proper justifications. We identified 14 cost transfer with inadequate or incomplete justifications. Several examples of incomplete justifications are as follow: For an MRI purchase, “Expense was initially charged to a central account for the Neuroscience Building expenses.”	AP workflow process has a drop down menu as CC/PRJ: Funding not Available Pend Creation/Setup Pend Budget Revision Incorrect Acct Code Incorrect CC/PRJ The comment section will require justification of allowability, allocability, and reasonableness.	In Progress
UTRGV-23-AEN-05	3/6/2024	Cost Transfers Audit	The volume of cost transfers processed for the audit period for non-payroll transactions totaled 742. We could not determine payroll cost transfers.	Grants and Contracts will start to track cost transfer requests in order to review areas with high volume. This will also be included in the weekly metrics shared with the SVPR.	In Progress
UTRGV-23-AEN-05	3/6/2024	Costs Transfers Audit	The Office of Grants and Contracts’ monitoring process is not working as intended. Although the Office and Grants and Contract’s accountants review cost transfers prior to posting, we identified instances of no expenditure request forms, insufficient support documentation, incomplete justifications, and required approvals not obtained.	Grants and Contract will review best practices and train accountants to review adequate support for transfer requests. Director/Manager will review the cost transfer log quarterly for areas with high volume. Also, will compare the log to available report (queries).	In Progress
UTRGV-23-AEN-05	3/6/2024	Costs Transfers Audit	There is no cost transfer training available for PIs, PDs, and PMs. Lack of employee knowledge and training can lead to internal control failures.	Grants and Contracts will create training material on cost transfers and will provide training to PIs, reconcilers, and departmental support. The training will be recommended but will not be mandatory. The training material will also be available online with other Division of Research resources.	In Progress
UTRGV-23-AEN-08	11/1/2023	Student Housing & Residence Life Audit	In 56 instances, individual housing amounts listed in StarRez (student housing management system) did not match student Banner billing amounts, which totaled \$10,046. Housing did not update StarRez to agree with the amounts charged to students in Banner. These changes were due to installments, cancelations, and other housing adjustments.	Interim Director is continuing to meet with Auxiliary Services. In these sessions, we are evaluating the process and making updates. Part of these updates will include more widely distributed and enforcement of deadlines for changes in StarRez. Staff also need to reevaluate application types to streamline billing.	In Progress

FY 2024 Observations and Actions

REPORT NO.	REPORT DATE	REPORT NAME	OBSERVATIONS	MANAGEMENT RESPONSES/ACTION PLANS	IMPLEMENTATION STATUS
UTRGV-23-AEN-08	11/1/2023	Student Housing & Residence Life Audit	All StarRez users have read and write access to the software. Access is not restricted based on job duties.	3-tiers- all access (Directo); Billing Tier (Aux); Room Assignments & Meal Plans (HCs). Housing will reevaluate the tiers and access when the department is fully staffed. Upon hiring of staff, transition of responsibilities will include a review of the HRL Audit Action Plan.	In Progress
UTRGV-23-AEN-13	7/10/2024	Decentralized IT Audit	The Information Security Officer (ISO) does not have an active institutional information security working group composed of ISAs. Departments reviewed did not have ISAs to assist owners of information resources with annual information security risk assessments, reporting general computing and security incidents, and reporting to the institutional ISO about the status and effectiveness of information security controls in accordance with policy.	The program specialist is compiling past information and lists in order to reboot the program. However, moving the program forward will remain on hold until the re-write of UTS 165 is completed. The update to UTS 165 is expected to be completed by the of Spring 2024.	In Progress
UTRGV-24-AEN-55	8/12/2024	TEC 51.3525 Audit	UTRGV management has not fully developed or incorporated specialized TEC Section 51.3525 into its portfolio of compliance training requirements to ensure appropriate members of the institution understand key requirements.	The Office of Institutional Compliance will develop, assign, and track the completion of online training related to the prohibitions and exceptions of TEC Section 51.3525 for all employees. This training will include the identification of the points of contact that should be consulted regarding TEC Section 51.3525 and UTS 197 compliance questions.	In Progress
UTRGV-24-AEN-55	8/12/2024	TEC 51.3525 Audit	UTRGV management has not yet implemented ongoing controls to evaluate ongoing compliance with TEC Section 51.3525 and UTS Policy 197.	The Office of Institutional Compliance will develop and implement a formal monitoring activity plan as well as a process to report the results of such monitoring to the president and leadership.	In Progress
UTRGV-24-AEN-55	8/12/2024	TEC 51.3525 Audit	UTRGV management has not implemented an ongoing, documented certification process of compliance to provide assurances to the president regarding accuracy and completeness of annual certification(s) in accordance with UTS Policy 197.	The training delivered by the Office of Institutional Compliance will include a mechanism to allow each employee taking the training to certify compliance with Tec Section 51.3525 and UTS 197. The results of the individual certifications will be reported to the UTRGV President to allow him to provide certification to the UT System Board of Regents and any other agencies requiring such compliance certification.	In Progress

SECTION III
Consulting Services and
Nonaudit Services Completed

CONSULTING SERVICES AND NON-AUDIT SERVICES COMPLETED

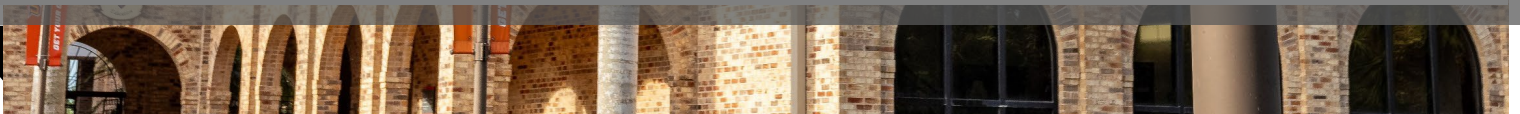
Date Completed	Name of Engagement	High-Level Non-Audit Services Objective(s)	Observation/Findings and Recommendations	Fiscal Impact/Other Impact
11/28/2023	iTravel + Consulting Services	<p>The Chief Procurement Officer requested that we assess iTravel + for process improvements. We focused on the following areas:</p> <ul style="list-style-type: none"> Travel request authorizations and expense reports Foreign Travel Expense reports past 60-days rule, Account classification from authorization to expense report, and Timely payment of credit card statement. 	<p>The iTravel + system met its goal of delivering timely payment processing, a mobile application tool to upload receipts in real-time, and enhanced reporting features for monitoring does not currently accommodate non-employee travelers. However, we observed areas that impact the effectiveness of the system and compliance with the travel process going forward.</p> <ol style="list-style-type: none"> The Chief Procurement Officer has several options in its travel management solution as follows: <ul style="list-style-type: none"> Continue using the iTravel + system; however, changes must be made to travel processes to accommodate significant gaps between system profile-based limitation and non-employee travelers (i.e., students, guests, prospective employees, participant support). Discontinue use of the iTravel + system and either: <ul style="list-style-type: none"> Revert to iShop, the previous travel management solution, and address the inherent issues, or Seek another travel management solution that can accommodate employee and non-employee travelers. Hybrid approach that includes utilizing the iTravel + system strictly for employee travelers and iShop for non-employee travelers. The training content should be updated to reflect the path taken and the areas noted above, including credit card specific training. To address the past due credit card balances, the Chief Procurement Officer should consider collecting the balances owed to the credit card cost centers and projects prior to credit card reconciliations and suspend the credit card holders from transacting with the credit card until reconciliation is completed. 	Process Improvements

SECTION IV
External Quality Assurance Review
(Peer Review)



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

December 2023





December 2023

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

In September 2023, The University of Texas Rio Grande Valley (UT Rio Grande Valley or the University) 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 UT Rio Grande Valley.

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

Very truly yours,

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Baker Tilly US, LLP

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Summary

Background

Baker Tilly was engaged to conduct an independent validation of The University of Texas Rio Grande Valley (UT Rio Grande Valley or the University) Office of Audits and Consulting Service's (OACS) self-assessment with the assistance of one 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* (the *IIA Standards*) and Code of Ethics, Generally Accepted Government Auditing Standards (GAGAS), and relevant requirements of the Texas Internal Auditing Act (TIAA).

The scope and approach for the independent validation included:

- Interviewing stakeholders of the OACS function, including the President and other members of UT Rio Grande Valley's leadership team, the chair of the Institutional Audit Committee (IAC), and OACS personnel.
- Reviewing the self-assessment report and a sample of OACS documents related to fiscal years 2021, 2022, and 2023.
- 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 are judged to be in conformance with the *Standards*. "Partially conforms" means deficiencies in practice are judged to deviate from the *Standards*, but these deficiencies did not preclude the IA activity from performing its responsibilities in an acceptable manner. "Does not conform" means deficiencies are judged to be so significant as to seriously impair or preclude the IA activity from performing adequately in all or in significant areas of its responsibilities.

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:

- **Experience, knowledge, and tenure of team** -- The OACS team has built strong, lasting relationships across campus. Management seeks input from OACS in both formal and informal settings, including on the risk and controls impacts of key University decisions and initiatives. Team members know who to loop in for various discussions and decisions and can help ensure the right stakeholders have a seat at the table.
- **Efficient audit process** – OACS has developed a mature, transparent audit process, which allows for audit objectives, findings, and recommendations to be easily understood by auditees. Further, as the highly tenured OACS team can efficiently execute audits with minimal supervision, there is broader coverage across risk areas, and OACS leadership is able to dedicate time to elevated discussions and emerging risks across campus.
- **Judgement and partnership of the Chief Audit Officer (CAO)** – As a member of the President's Cabinet, the CAO plays a pivotal role in providing valuable insights on committees, leveraging his understanding of emerging risks facing the University. Leadership trusts the CAO's judgment and ability to support enhanced risk mitigation efforts.
- **Skillset of team** – Over time, OACS team members have developed a diverse range of skillsets including IT, healthcare, and research. Within these areas, designated team members have established themselves as go-to resources, fostering relationships to effectively support evolving risks.
- **Team environment and morale** – The OACS team is positive, supported, engaged, and motivated to deliver quality work and value to the University.

"The audit process is very transparent. There are no surprises, no "gotcha" ... it feels like we are a team solving the problem together."

"OACS provides check and balances—Let's find it and let's fix it."

"OACS is a great team—very open, process-oriented, with the right mindset to facilitate change."

"The CAO and OACS team have great relationships around campus. I trust their judgment and opinions. OACS is not afraid to tell you the good and the bad."

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

Opportunities for Enhancement

Internal Audit-Specific Observations

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

- **Developing additional healthcare expertise and capacity** – As the University opens a surgical center, increases its clinical footprint, and considers opening a hospital, clinical activities may account for half of the University's revenue in coming years. Consider expanding the proportion of OACS time dedicated to healthcare auditing to align with the proportion of University revenue from healthcare. This may include retaining additional skillsets and capacity to meet the evolving needs and risk profile of the University.
- **Expanding current skillsets** – As the University continues to transform and expand, OACS should consider dedicating additional time and growing skillsets in the following. This may require additional time and resources to obtain appropriate specialized training.
 - Sponsored Research – UT Rio Grande Valley is working to achieve R1 status by 2030; as research activity and portfolio size grow, consider growing research audit and advisory work to broaden coverage across the University's research risk landscape.
 - Athletics – The University is expanding its athletics program to include additional sports such as football. A larger athletics program can lead to heightened compliance demands and a need for increased attention regarding revenue (e.g., ticket sales) and cash handling considerations.
 - Information Technology (IT) – Given the inherent risks in the cybersecurity and information security space, IA should dedicate additional time, where feasible, in gaining coverage across the University's IT risk landscape.
- **Engaging in multi-year team planning** – The recent departure of the Assistant Director provides an opportunity to bring in fresh perspectives and new skillsets to the OACS function, as well as additional options for career pathing. Additionally, given the current tenure of OACS team members, consider succession planning or multi-year team planning to help future proof the OACS function. Specifically, identify back up roles and opportunities to cross-train team members, and as team members turnover, consider a transition period (e.g., of at least six months) to help onboard and shift responsibilities to incoming team members.
- **Enhancing communication of independence** – As OACS scopes and plans its various activities, including participation on committees and task forces as well as assurance activities in areas where consulting or advisory reviews were recently performed, the CAO should enhance communication to management as to how OACS maintains and protects its independence in executing its work (e.g., IA charter, staffing different team members on assurance engagements where consulting engagements were recently performed).
- **Leveraging new audit software** -- In pursuit of enhancing operational efficiency, OACS should explore (along with UT System Audit Office) the possibility of leveraging the new audit software to automate client requests and streamline follow-up processes (e.g., status dashboard, capacity to upload follow-up support).

Institution-wide Considerations

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

- **Refreshing policies and procedures** -- As the University continues to evolve and mature, existing policies and procedures are likely to become outdated, as they have been initially designed for a smaller institution and may no longer align with the current scale and nature of the University. As the University modernizes, OACS, as the resident internal control experts, could fulfill a vital role in providing perspective on processes and controls in place for updated policies and procedures.

Appendix A: Work Performed

In completing our review, the independent review team:

- Conducted interviews with 19 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 OACS 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 OACS activity
 - Quality of OACS deliverables
- Assessed additional materials, as necessary, to further validate the self-assessment completed

Appendix B: Interviews Conducted

Institutional Audit Committee External Members

Mr. Brad Freudenberg, External Audit Committee Member
Mr. Elias Longoria, Chair, External Audit Committee Member

Executive and Senior Leadership

Ms. Karen Adams, JD, Chief Legal Officer
Ms. Samantha Allen, President's Chief of Staff
Mr. Guy Bailey, PhD, President
Ms. Isabel Benavides, Chief Compliance Officer
Mr. Kevin Crouse, Chief Information Security Officer
Ms. Magdalena Hinojosa, EdD, Senior Vice President for Strategic Enrollment and Student Affairs
Ms. Kelly Nassour, PhD, Executive Vice President for Institutional Advancement
Mr. Michael Patriarca, MBA, Executive Vice Dean, School of Medicine, Vice President, UT Health Rio Grande Valley
Mr. Can (John) Saygin, PhD, Senior VP Research and Dean of Graduate College
Mr. Thomas Spencer, PhD, Associate Vice President for Research Operations

Internal Audit

Mr. Eloy Alaniz, Chief Audit Officer
Ms. Angelica Coello, Auditor
Mr. Jose Gomez, Senior IT Auditor
Mr. Paul Plata, Senior Auditor
Ms. Norma Ramos, Director of Audits
Ms. Cecilia Sanchez, Senior Auditor

System Audit Office

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

Appendix C: Independent Review Team Member Information

Ashley Deihr, CPA, CIA, CFE
Partner, Baker Tilly

With nearly twenty years of experience, Ashley assists institutions to achieve strategic and financial success, optimize operational effectiveness and enhance compliance. Ashley drives innovation through strategic and enterprise risk assessments, internal audit and compliance reviews and investigations and business process reviews. She has assisted clients in developing and reengineering infrastructures, governance practices, internal controls, and business processes to mitigate risk and enhance efficiency, effectiveness and compliance in such areas as budgeting and resource management, financial management and reporting, sponsored research administration, compliance governance and international operations. Ashley is a Certified Public Accountant, a Certified Internal Auditor, and a Certified Fraud Examiner.

Jorge Osorio
Internal Audit Director, St. John's University

With experience spanning nearly two decades, Jorge directs the operations of the internal audit department at St. John's University. He assists the university in attaining strategic and financial success through the development of a multi-year audit plan that aids the university to reach its strategy goals by identifying unexploited opportunities and potential risks. Jorge consults with university administration and executives during audits to streamline existing processes, and presents a semi-annual report of the internal audit activities to the Audit Committee of the Board of Trustees. His work includes fraud investigations, risk assessments and multiple types of audits in the following areas: compliance, regulatory, financial, budgeting, business process, etc. He has assisted external auditors in the performance of financial audits and the Single Audit (A-133). In the past, he also performed Sarbanes-Oxley audit testing. Jorge has bachelor's degrees in accounting and economics, holds a master's degree in taxation, and is a certified construction auditor.

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



MEMORANDUM

DATE: September 27, 2023

TO: Elias Longoria, UTRGV Internal Audit Committee Chair
Guy Bailey, UTRGV Founding President

SUBJECT: Internal Audit Self-Assessment – Internal Audit Activity

Dear Mr. Longoria,

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 2022 and 2021), 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: 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 *Texas Internal Auditing Act*, and as applicable, with *GAGAS*.

Strengths

We identified the following points of pride:

Staff Experience and Subject Matter Expertise

The audit staff has an average of 25 years of internal auditing experience. The staff consists of highly skilled and qualified professionals with 83% certified as either Certified Internal Auditors, Certified Public Accountants, Certified Information Systems Auditors, or Certified Healthcare Internal Audit Professionals. Additionally, 71% of the staff hold multiple certifications. This knowledge base serves as a unique resource. They are well acquainted with the UTRGV processes and have established relationships with key university personnel.

Relationships with University Leadership and Collaboration

The Office has established collaborative relationships with university leadership. The Executive Leadership has 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, and hiring committees.

The Office collaborates with Institutional Compliance and Legal Affairs Offices in its annual risk assessment and audit plan development process. This eliminates duplication of effort and utilizes combined expertise to evaluate the university's risks. University management calls upon the Office for advice on internal controls, compliance issues, policy interpretation, and operational best practices. The Chief Audit Officer meets with the external members of the Internal Audit Committee bi-monthly to discuss audit activities and attends the president's bi-monthly leadership meetings.

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.

Internal Audit Governance

The Chief Audit Officer periodically presents the Internal Audit Charter and the Audit Committee Charter to the Institutional Audit Committee for review and approval if changes are necessary. Also, the Chief Audit Officer typically presents a refresher of Institutional Audit Committee responsibilities in the 1st Quarter Institutional Audit Committee meeting.

Opportunities for Improvement

We identified several opportunities for improvement in the following areas:

1. Ongoing Evaluation of Risks

The internal audit function facilitates the institution's risk assessment process and uses the final assessment to develop its audit plan. This risk assessment process is performed



annually; however, the risk landscape changes frequently, and the internal audit function should have its finger on the pulse.

Recommendation: The Chief Audit Officer should continue to meet with personnel from high-risk areas more frequently throughout the fiscal year to discuss on-going and emerging risks.

2. Audit Planning Process

Standards require that the internal audit's planned engagements must be based on documented assessment of the organization's risks, consistent with the organization's goals. The risk assessment process does not include data analytics to enhance IA's understanding of UTRGV's operations and associated risks.

Recommendation:

The Chief Audit Officer should develop a strategy and tactical plan to utilize data analytics during the audit planning process to enhance IA's understanding of UTRGV's risks and to support the engagements included on the internal audit plan.

3. Continuous Auditing and Monitoring

Continuous Auditing (CA) enables IA to continually gather data from processes that support auditing activities. More specifically, CA enables IA to have broader, more proactive reviews while improving IA's value add to UTRGV. IA is not conducting CA activities. Continuous monitoring (CM) enables management to continually review business processes for adherence to and deviations from intended levels of performance and effectiveness. While IA has engaged business owners in developing CM for ProCards and Financial Aid compliance, other areas can benefit from this process.

Recommendation:

The Chief Audit Officer should develop a strategy and tactical plan to expand its use of data analytics through continuous auditing. In addition, the strategy should include teaming with more business owners to develop continuous monitoring capabilities for certain high transactional volume business processes and shift monitoring responsibilities to the business.

4. Engagement Closeout

After the Audit Director issues audit reports to the audit committee members, the auditors are responsible for completing the project engagement close-out process for their assigned projects within the audit management system, which includes finalizing and releasing project engagements to TeamCentral for recommendations tracking. The project engagement recommendations are not released timely to TeamCentral.

Table to Support the Self-Assessment Report

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 <i>Standards</i> , 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	✓		
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	✓		

Office of Audits and Consulting Services Quality Self-Assessment

Quality Assessment Evaluation Summary—Major/Supporting Standards		GC	PC	DNC
	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
2025

Texas Government Code, Section 2102.005(b) Compliance

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 2025**).

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**).



Fiscal Year 2025 Audit Plan

Office of Audits &
Consulting Services

Approved by: Internal Audit Committee
July 2024



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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) 2025. 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. The chief audit executive sought input on the annual plan from the president and executive management. In addition, the chief audit executive reviewed major goals and institutional priorities 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 2025 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 2025 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 the 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 the 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. Additionally, benefits proportionality risks were also considered as required by the 88th Legislature.

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 Institutional Review Board, several UT Health RGV Clinics, EPIC EMR System, Business Continuity Planning/Disaster Recover, and Environmental Health and Safety.

Required Audits (Externally and Internally)

The UT System Board of Regents approved an independent CPA firm to conduct the FY 2024 UT System-wide Consolidated Financial Audit. Interim procedures will be conducted during the month of July 2024, and year-end procedures will be conducted in November 2024. The NCAA Agreed-Upon Procedures is an annual requirement in accordance with NCAA regulations and is conducted in November and December by an external firm. The Texas Higher Education Coordinating Board (CB) awarded operational grants to the McAllen 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 2024 and the certification will be included in the Annual Internal Audit Report.

Advisory and Consulting Engagements

Advisory and Consulting engagements will primarily include assisting the research division with process efficiencies related to categorizing research expenditures appropriately. Internal controls training and other advisory services to institutional departments are also planned as well as participating on institutional committees as a non-voting advisor.

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 Institutional Audit Committee on the status of the implementation of the recommendations will continue.

Reserve for Unanticipated Projects

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

Development-Operations

The Operations section includes activities necessary to conduct the internal audit function and serve management and governance such as hours allocated for attending the Institutional Audit Committee meetings as well as hours devoted to the management of audit activity. It also includes hours towards developing the annual audit plan.

Development-Initiatives and Education

The Initiatives & Education section 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 2024 UT System Annual Audit Plan Guidelines*. The Office is budgeted for seven auditors. The internal audit staff consists of highly qualified and skilled audit professionals with 83% (5 out of 6) certified. The UTRGV president provides institutional oversight over the chief audit executive (CAE) and the chief audit executive of the UT System Audit Office provides professional oversight of the UTRGV internal audit function. The Institutional Audit Committee provides strategic oversight and direction of all internal audit activities.

The CAE is a Certified Public Accountant (CPA), Certified Internal Auditor (CIA), and Certified Information Systems Auditor (CISA) and has over 27 years of audit experience. The director has 30 years of audit experience and is a CIA and a Certified Government Auditing Professional (CGAP). Three senior staff auditors have many years of auditing experience, two are CIAs, and one is Certified in Healthcare Auditing and a CISA. Our senior IT auditor is also a CISA. We filled our vacant healthcare auditor position on October 7, 2024, and the office is fully staffed again.

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 2025 Audit Hours

The number of audit hours available for FY 2025 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 **10,344 hours** for audits and consulting engagements as well as audit staff and management development hours. The FY 2025 Budget Hours are 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 July 12, 2024.
- The UTRGV Audit Committee – Audit plan was approved on July 23, 2024.
- The UT System Board of Regents – Audit plan submitted to UT System Audit on July 31, 2024.

FY 2025 Audit Plan	Budget	Percent of Total	Risk	Primary Taxonomy	General Objective/Description
Assurance Engagements					
NCAA Recruiting Compliance Audit	300		High	Athletics	Determine whether policies and procedures are in place to adhere to NCAA recruitment legislation
UT Health Clinics-Privacy Audit	400		High	Revenue Cycle - Medical Services	Determine if reasonable safeguards are in place to minimize the incidental use or disclosure of PHI. We will evaluate four to five clinics.
Clinical Trials Billings Audit	300		Critical	Research	Assess the effectiveness of controls for clinical trials billings process.
Charge Description Master Audit	300		High	Patient Care Operations	Assess the effectiveness of controls related to the monitoring and maintenance of the Charge Description Master. This risk-based audit is part of the MSRDP.
EPIC Provisioning Access Management Audit	400		High	Revenue Cycle - Medical Services	Ensure access controls are in place to manage user access and determine whether access to critical EMR systems is appropriate and monitored. Meets TAC 202.76 requirements
Interdepartmental Transfers/Service Centers Audit	350		High	Research	Evaluate the appropriate use of the interdepartmental transfer and service center processes.
Institutional Review Board (IRB) Audit	300		High	Research	Evaluate key activities of the IRB in the protection of human subjects in research.
Business Continuity Planning/Disaster Recovery Audit	300		High	Enterprise Activities	Determine whether Business Continuity Planning is effective to resume business operations timely in the event of a disaster.
Termination & Transfer of Employees Audit	350		High	Human Resources	Evaluate the effectiveness of the processes related to the disabling and updating of terminated and transferred employees' access to UTRGV applications and networks.
Environmental Health & Safety Audit	400		Critical	Risk Management & Compliance	Evaluate the effectiveness of procedures in place to comply with regulatory requirements.
School of Medicine PeopleSoft Inventory Mgmt. System	300		High	Information Technology	Evaluate whether appropriate controls are in place to effectively account for School of Medicine's assets with the transition to PeopleSoft's Inventory Module.

Appendix A – FY 2025 Audit Plan (Budgeted Hours)

FY 2025 Audit Plan	Budget	Percent of Total	Risk	Primary Taxonomy	General Objective/Description
CARRYFORWARDS:					
NCAA Financial Aid Compliance Audit	150		Medium	Athletics	Carryforward - 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.
Clery Audit	25		High	Risk Management & Compliance	Carryforward - evaluate accuracy of Clery Reporting and Access to Clery information in ARMS
Staffing Audit	25		Low	Human Resources	Carryforward - evaluate whether areas of the institution are aware of familial relationships and are monitoring and managing them
UT Health Cosmetic Surgery Clinic Audit	30		High	Revenue Cycle - Medical Services	Assess efficiency and effectiveness of front end revenue processes as well as internal controls over clinical operations.
UT Health RGV Surgical Clinic	100		High	Revenue Cycle - Medical Services	Assess efficiency and effectiveness of front end revenue processes as well as internal controls over clinical operations.
CPAF Audit	5		Low	Human Resources	Evaluate whether current CPAF system addresses needs of a growing and complex institution.
Grant Drawdown Audit	30		Medium	Research	Evaluate segregation of duties related to grant draw downs.
IT Governance/Procurement Audit	125		Medium	Information Technology	Evaluate Procurement Office's role in the IT Governance process in relation to the procurement of software. Meets requirements for TAC 202.76
Assurance Engagements Subtotal	4190	40.5%			
Advisory Engagements					
Institutional Committee Meetings and Adhoc Workgroups	350		N/A	N/A	Advisory: Attend campus committee meetings and other meetings with management.
Education, Training and Advice to Institutional Departments	450		N/A	N/A	Education: Provide internal controls training or assistance to institutional support offices and UTRGV supervisors, cost/project center reviewers.
Executive Leadership Meetings and Others	200		N/A	N/A	Advisory: Meetings with Executive Leadership and Others.

Appendix A – FY 2025 Audit Plan (Budgeted Hours)

FY 2025 Audit Plan	Budget	Percent of Total	Risk	Primary Taxonomy	General Objective/Description
CARRYFORWARDS:					
AIM Expenditures	300		Medium	Research	Carryforward - assist Research Division with ensuring sample of restricted research expenditures align with THECB Standards and Accounting Methods (SAMs) requirements.
Advisory Engagements Subtotals	1300	12.5%			
NCAA Agreed Upon Procedures	40		Low	Athletics	Assist UT System Audit in the performance of the required annual NCAA Agreed Upon Procedures for FY2023.
JAMP (Academic)	150		Medium	Finance	To provide assurance that UTRGV Academic JAMP followed JAMP Agreement requirements and the JAMP Expenditure Guidelines.
McAllen Family Practice Residency Program Audit	125		Low	Research	Assess whether revenues, expenditures and unexpended fund balance were reported accurately in the FY2023 AFR and grant funds were utilized in accordance with guidelines for operational and optional rotation programs.
KNAPP Family Practice Residency Program Audit	125		Low	Research	Assess whether revenues, expenditures and unexpended fund balance were reported accurately in the FY2023 AFR and grant funds were utilized in accordance with guidelines for operational and optional rotation programs.
Nursing Shortage Reduction Program Grant Audit	200		Medium	Research	Determine whether funds expended in compliance with allowable award expenditures, per 19 Texas Administrative Code §22.508(c)
FY 2024 Financial Audit-Final	9		Low	Finance	Assist External Auditors in FY2024 UT System wide AFR audit final work.
FY 2024 Financial Audit-Interim	6		Low	Finance	Assist External Auditors in FY2025 UT System wide AFR audit interim work.
Audits/Reviews by External Agencies	50		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	26		Low	Finance	Annual assessment that UTRGV has adopted the rules and policies required by Senate Bill 20.
Required Engagements Subtotals	731	7.0%			

Appendix A – FY 2025 Audit Plan (Budgeted Hours)

FY 2025 Audit Plan	Budget	Percent of Total	Risk	Primary Taxonomy	General Objective/Description
Investigations					
Reserve Hours for Investigations	200				Reserve for Investigations
Investigations Subtotals	200	1.9%			
Reserve					
Reserve Hours for Unanticipated Projects	200				Reserve for unanticipated projects and management requests
	200	1.9%			
Follow-Up					
1 st Quarter	50				Follow up on all recommendations.
2 nd Quarter	50				Follow up on all recommendations.
3 rd Quarter	50				Follow up on all recommendations.
4 th Quarter	200				Follow up on all recommendations. Additional FU procedures for TEC 51.3525
Follow-Up Subtotals	350	3.4%			
Development-Operations					
UT System Meetings and Reporting	100		N/A	N/A	CAE weekly meetings and reporting requests.
Annual Audit Plan and Risk Assessments	500		N/A	N/A	Conduct risk assessments capturing critical and high risks and prepare annual audit plan for FY2025, includes risk assessments at the College/Schools level.
Internal Quality Assurance Review	100		N/A	N/A	CAE to perform periodic internal quality assessments.
Internal Audit Committee Meetings	300		N/A	N/A	Prepare and conduct Internal Audit Committee meetings, including meeting with external members.
Annual Internal Audit Report	50		N/A	N/A	Prepare FY2024 Annual Internal Auditor's Report. State requirement; Due November 1, 2024.
Development/Maintenance of Technologies	450		N/A	N/A	Maintenance of audit program libraries and templates. Address technical issues throughout the year.
Management of Audit Activity	600		N/A	N/A	Staff meetings to discuss updates/status of multiple audit projects, includes travel time between campuses.
Development-Operations Subtotals	2100	20.3%			

Appendix A – FY 2025 Audit Plan (Budgeted Hours)

FY 2025 Audit Plan	Budget	Percent of Total	Risk	Primary Taxonomy	General Objective/Description
Development-Initiatives and Education					
UT System Audit Office Initiatives	100		N/A	N/A	Staff's participation in System Audit Office Initiatives, includes time related to Audit Management Software.
Professional Development	710		N/A	N/A	Training for professional staff, includes CPE, non CPE and travel time.
New Audit Management System Familiarization	300		N/A	N/A	Staff familiarization with the new audit management software. eCase training & implementation
Internal Audit Office Organization and Strategic Initiatives	100		N/A	N/A	Updating internal audit manual and procedures, evaluate internal audit strategic plan.
Professional Organizations	25		N/A	N/A	Staff's participation in professional organizations.
Internal Auditing Education Partnership Program	38		N/A	N/A	Continue providing assistance to School of Accountancy with program.
Development-Initiatives and Education Subtotals	1273	12.3%			
Total Budgeted Hours	10344	100%			

Available Audit Hours

Calculation of Available Hours	CAE Director	Management Team	Staff	Total	%
Audit Hours*	1,534	1,426	7,392	10,344	74%
Non-Audit Hours:					
General Administration	250	250	950	1,450	10%
Holidays	104	104	494	702	5%
Vacation & Sick Leave	200	300	1,044	1,544	11%
Total Available Hours	2,080	2,080	9,880	14,040	100%
Gross Budgeted Positions (# of FTEs)				7.00	
Position Vacancies (# of FTEs)				<u>0.25</u>	
Net Positions (# of FTEs)				6.75	
	Total	Holiday	V/S Leave	GA	Projects
CAO	2,080	104	200	250	1,526
Director	2,080	104	300	250	1,426
Senior Auditor	2,080	104	225	200	1,551
Senior Healthcare Auditor	2,080	104	225	200	1,551
Senior IT Auditor	2,080	104	225	200	1,551
Healthcare Auditor	2,080	104	225	200	1,576
Auditor	2,080	104	225	200	1,551
	14,560	728	1,600	1,550	10,732
Less 25% estimated vacancy	(520)	(26)	(56)	(50)	(388)
	14,040	702	1,544	1,450	10,344

Appendix C – Critical & High Risks Not on FY 2025 Audit Plan

The risk assessment process identified critical and high risks that were not included in the FY 2025 audit plan. The following is a list of these risks and the mitigation strategies for each.

Detailed Risk Description	Risk Mitigating Factors
Loss of significant revenue due to lack of CDA/CTA/MTA review & processing infrastructure. Ensure acceptable language and timeframes are in documents (i.e., IP language, subject injury language, data entry timelines, payment metrics, budget aligns with negotiated budget, invoiceable items and payments details, records storage, screen failure details, etc.)	Clinical trial study START (Study Type Assessment & Regulatory Tracking) form will be built into ARGO which collects all information needed regarding a clinical research project. Currently, federally funded research studies. UT System Master Agreements w some pharma companies; Research Compliance currently reviews SOM clinical trial agreements/contracts.
Need staff (coverage analyst) for coverage analysis and billing matrix development activities (front end billing compliance) who works with Pls to detail research vs routine cost items in protocol well as research financial analyst for back end billing compliance who can disposition charges based on the billing matrix as well as add research coding to claims (research modifiers, NCT numbers, etc.) and correct billing compliance errors with third-party payors, patients, sponsors. Need functionality within the electronic medical record to support a billing compliance workflow including linking participants to a research protocol where all (clinical and research) charges route to a research queue and get dispositioned appropriately while that person is linked to the study. Need institutional HOP, need clinical research SOPs, need training of clinical staff regarding linking of patients, appointment scheduling when research, need research personnel training on same issues.	Budget Negotiator position covered for FY2025. Financial Analyst still pending. Need to develop coverage analysis (billing compliance) HOP. Developed clinical research SOPs detailing research billing compliance workflows. Possible roll out in FY2025. Once technology options are defined and built.
Account set-up, account invoicing, account reconciling against met clinical milestones per participant, ensuring holdbacks are paid, ensuring data locks are timely to receive payment, ensuring data is clean to receive payment.	Clinical Trials Management System still needed. Excel Spreadsheets for a while. Replacing Athena with EPIC but UTMB will not take over the Research Revenue piece. EPIC implementation moved to Nov 2024.
We will need investigational pharmacy infrastructure for the receipt, storage, randomization, dispensing, tracking, and destruction of drugs; need a system that can keep records electronically (ideally). Space, storage, temperature monitoring, hood for mixing (chemo), freezers, refrigerator, pharmacy committee for review of protocols prior to IRB approval, develop, review, and approve investigational drug orders (ideally you want these in your medical record to decrease errors and increase patient safety).	Pharmacist is on board, joined UT System Pharmacists group. Infrastructure at ION. SOP developed to address risk.

Appendix C – Critical & High Risks Not on FY 2025 Audit Plan

Detailed Risk Description	Risk Mitigating Factors
IDEALLY - Clinical research - in all contexts - normal controls or as an option for the treatment of disease, should have workflows and documentation standards within the medical record. Ability to identify a patient is on a research protocol (i.e., Epic has a button on the chart header that turns green when a patient is active in research); research infrastructure within the system to build study profiles where staff can "link" a participant to a study in the system which then drives billing workflows; uploading consents, documenting research activity (nurse vs coordinator (who is allowed to document in medical record); orders for research; scheduling procedures/clinic visits - understanding in-window time frames; billing work queue where all charges regardless of payor are routed and dispositioned on the "backend"; medication administration documentation; adverse event documentation, concomitant medication documentation; research notes vs clinical notes.	Clinical Trials Management System still needed Excel spreadsheets for a while. Replacing Athena with EPIC but UTMB will not take over the Research Revenue piece. EPIC implementation moved to Nov 2024.
Unknowingly collaborating with restricted entities/parties; Deemed Export may occur when restricted information is made available to foreign nationals via any communication, visual inspection.	Checks conducted at front end - restrictive part screening. 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; Mandatory module implemented for Undue foreign influence and export controls.
Non Research sponsored contracts not appropriately reviewed.	Fixed Contracts Audit issued 2021. As per AIM Consulting Engagement (working group), cost center creation for these types of contracts will go through Research to determine if project or cost center is created but no additional work has been completed.
Non research sponsored contracts not appropriately reviewed.	Fixed Contracts Audit issued 2021. As per AIM Consulting Engagement (working group), cost center creation for these types of contracts will go through Research to determine if project or cost center is created but no additional work has been completed.
Fixed Price Sponsored Project (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.	Fixed Contracts Audit issued 2021. As per AIM Consulting Engagement (working group), cost center creation for these types of contracts will go through Research to determine if project or cost center is created but no additional work has been completed. HOP Policy is in DRAFT.
Foreign influence & theft of IP. Not in compliance with all the changes required from the federal government, state and UT System. Cross disciplinary with UT System, IR & IT.	Less secure than normal due to all the changes. A Committee has been established Research security.
Program does not have sufficient resources. If it fails, Research may lose OLA.	New Program with enough resources available and responsibilities cross boundaries – Students, Research, Clinical Research, SOM.
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 aware of the risk.

Appendix C – Critical & High Risks Not on FY 2025 Audit Plan

Detailed Risk Description	Risk Mitigating Factors
Risk of not retaining qualified staff.	Management will work on addressing the risk.
Not having a Conflict of Interest policy which would cause confusion and make it difficult to ensure compliance with regulations.	Management will work on addressing the risk
Not addressing compliance issues due to staff shortage.	Management will work on addressing the risk
Not creating the necessary criteria to designate and determine purpose of centers and institutes.	Academic centers report to deans or chairs which are different from ORU's – Organized Research Centers. No Policy or process to identify the creation of Academic Centers and Institutes (non ORU).
Finance-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.
Finance-Examples of decentralized tasks across campus that impact financial reporting including capital asset & inventory/equipment certifications, pCard purchase reconciliations, workflow document approval (iShop, travel, HR, IT, etc.), personnel action forms (hires, terminations, transfers, promotions, etc.), employee time-cards, etc.	Continuous work in progress.
Finance-Not appropriately invoicing and lack of oversight may increase the possibility of revenue not recorded accurately.	Currently, UTRGV does not have a centralized contracts office to capture all revenue contracts; Contract invoicing, reimbursement requests and revenue collection affect GASB reporting. A committee is currently reviewing contract processes at UTRGV. Management is working in addressing this.
Planning & Analysis-Student tuition & fees insufficient to cover initiatives and growth.	UTS Board did not act on request for Tuition and Fees and declined to act on Guaranteed Fixed Rate tuition plans. Planning & Analysis working w UTS to address this critical issue. Currently using vacant positions to support budget. Need to address excess funds in departmental budgets such as ongoing vacant positions.
EHSRM-Compliance and Adverse exposure to an Infectious agent. Compliance issues including violations, fines and shut down of clinical operations.	Program is deficient due to the significant increase in the number of clinical sites without a corresponding increase in the number of laboratory safety personnel. We have been approved to hire another laboratory safety person to alleviate the deficiency.

Appendix C – Critical & High Risks Not on FY 2025 Audit Plan

Detailed Risk Description	Risk Mitigating Factors
Police-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.
Police-Inadequate protection of people and resources. Cameras and access control.	Currently updating security cameras and recommending transition to a single open architecture access control system (Genetec).
Police-Inability to lock down buildings remotely in case of an "active shooter" situation or some other emergency, and to help prevent theft and vandalism.	Currently recommending the transition to a single architecture access control system (Genetec).
Facilities Planning & Operations- The risk of not committing to construction projects due to significant delays and costs.	UTS construction delays may cost UTRGV over \$1M if process delays are not addressed. Currently experiencing supply chain issues, significant increases in construction costs (30%-40%).
Facilities Planning & Operations-Limitations of space cause significant challenges in accommodating academic and administrative needs.	Permanent remote work is providing some space alleviation.
SOM-Risk of unaccounted assets. In addition, risk of assets being lost, stolen, and not recovered is increased.	Inventory Management System in PeopleSoft will interface with EPIC. Planned audit engagement of SOM PeopleSoft Inventory Mgmt. System in FY 2025.
SOM-Ongoing Compliance with Regulatory requirements.	Planned transition to EPIC Beaker.
Efforts and resources to deter and educate employees and contractors may be rendered useless if a single bad actor compromises University sensitive data.	Multi-factor authentication (MFA) for major systems, ATHENA MFA, Global Protection has been implemented, Endpoint Detection and Response (EDR) monitoring East - West lateral movement traffic monitoring and increase number of Information Security staff.
Possibility exists of use of unapproved services.	Improved user education. Audits conducted a Cloud/3rd Party Security Management Audit.
No control of where research data is stored; no central repository.	Information Security is doing a better job of informing users. Server registrations. Some equipment in research labs managed by Abbott labs.
No experienced staff to address accessibility requirements. A work group is involved in accessibility evaluations as part of the software assessment/procurement process, but need a dedicated program in place with full time commitment. No agreement on funding for accessibility resources.	A work group is involved in accessibility evaluations as part of the software assessment/procurement process.
Draft policy. Unfamiliar with rapidly emerging AI technology. Broad risk (catch all), external threats, misuse of IA, and controlled and confidential data.	Draft policy.
(New) Working with IT to develop a better process to make clinical IT aware of IT resources. Clinical staff not trained to address simple IT needs. Simple things like printers without toners, devices unplugged to network, inadequate network closet physical security, no AC in network closets, etc. are not being addressed. Clinical staff not familiar with the process on who to call to resolve technical issues. Clinical visits need walkthroughs by IT staff to identify and resolve issues.	Working with IT to develop a better process to make clinical IT aware of IT resources.

SECTION VI
External Audit Services Procured in Fiscal
Year 2024

EXTERNAL AUDIT SERVICES PROCURED IN THE FISCAL YEAR 2024

Report Date	Type of Service	Objective
January 12, 2024	NCAA Agreed-Upon Procedures conducted by Baker Tilly.	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 2023.
August 29, 2024	Deloitte & Touche performed a required program specific audit of the Cancer Prevention and Research Institute of Texas (CPRIT) Program.	Express an opinion on the Schedule of Expenditures of State Awards and compliance on the CPRIT program for the year ending August 31, 2022.
Ongoing	Follow up on the Statewide Single Audit results conducted by the Texas State Auditor's Officer	Follow up on one prior year finding Financial Assistance Cluster for the year ending August 31, 2023.

SECTION VII

Reporting Suspected Fraud and Abuse

Reporting Suspected Fraud and Abuse

To comply with the requirements of Section 7.09, Page IX-40, General Appropriations Act (88th Legislature), a link for Fraud Reporting was created at the bottom of The University of Texas Rio Grande Valley's website <https://www.utrgv.edu/>.

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.