Internal Audit Annual Report

For the Fiscal Year Ended

August 31, 2023

Office of Audit and Consulting Services
800 West Campbell Rd., SP2 33
Richardson, TX 75080
972-883-4876
www.audit.utdallas.edu

November 1, 2023

Dr. Richard Benson, President
Mr. John Cullins, Chair of the Institutional Audit Committee:

We are pleased to submit the annual report of the Office of Audit and Consulting Services for the fiscal year ended August 31, 2023. This report is required by the Texas Internal Auditing Act and provides information on the assurance services, consulting services, and other activities of the internal audit function.

During fiscal year 2023, we issued 13 assurance-related reports and five consulting reviews, investigations, and other reports related to our audit plan. We believe the work of our office has enhanced university operations and provided value to management with recommendations relating to governance, risk management, and control processes at the University of Texas at Dallas.

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

Respectfully submitted,

Toni Stephens   November 1, 2023

Toni Stephens, CPA, CIA, CRMA
Chief Audit Executive

Report Distribution:
- State Auditor's Office
- Governor's Office of Budget, Planning, and Policy
- Legislative Budget Board
- Members of the UT Dallas Institutional Audit Committee
- UT System Audit Office

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Purpose of the Annual Internal Audit Report

The purpose of this annual report is to provide information on the assurance services, consulting services, and other activities of the internal audit function. In addition, the annual internal audit report assists oversight agencies in their planning and coordination efforts.

The Texas Internal Auditing Act, Texas Government Code, Chapter 2102, requires that an annual report on internal audit activity be filed by November 1st of each year and submitted to the Governor, the Legislative Budget Board, the Sunset Advisory Commission, the Texas State Auditor's Office (SAO), and the entities' governing boards and chief executives. The SAO prescribes the form and content of the report.

The annual report was prepared using the guidelines provided by the Texas State Auditor's Office. In addition to the minimum requirements, we also included other information we felt was important to the internal audit operations during fiscal year (FY) 2023. Additional information regarding the UT Dallas Office of Audit and Consulting Services can be found at the following website: https://audit.utdallas.edu/.

I.   Compliance with Texas Government Code, Section 2102.015

The Texas Internal Auditing Act (Texas Government Code, Section 2102.015: *Publication of Audit Plan and Annual Report on Internet*) requires that the internal audit plan and the internal audit annual report be posted on the institution's website. Accordingly, the Office of Audit and Consulting Services has posted this FY23 Annual Internal Audit Report and the approved FY24 Audit Plan at the following website: https://audit.utdallas.edu/audit-reports-and-plans/.

II.   Internal Audit Plan for FY23

The UT Dallas FY23 Audit Plan outlined the internal audit activities to be performed by Internal Audit during FY23 in accordance with responsibilities established by The UT System, the Texas Internal Auditing Act, the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*, and Generally Accepted Government Auditing Standards, consistent with the UT Dallas Audit Charter. The plan was prepared using a risk-based approach to ensure that areas and activities specific to UT Dallas with the greatest risk are identified for consideration to be audited.

The information in **Appendix 1** contains the Internal Audit Plan for FY23, including the status of the plan as of the date of this report.   Audits that were postponed or deleted were approved by the UT Dallas Institutional Audit Committee and, as applicable, were carried forward to the FY23 audit plan.

As required by the State Auditor's Office FY23 guidelines for submitting this report, the following audit was performed to address the benefits proportionality audit requirement prescribed in Rider 8, page III-46, of the General Appropriations Act (87th Legislature):

Compliance audits of Benefits Proportionality Funding were issued on August 31, 2020 and July 11, 2022. The audits examined fiscal years 2018-2019 and 2020-2021, respectively. Both audits were conducted using a methodology approved by the State Auditor's Office, and both resulted in no significant issues or recommendations.

The [Texas Education Code, Section 51.9337(h)](#) 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." An assessment was completed and issued to management on August 25, 2023. In general, UT Dallas has generally adopted the policies and procedures outlined in TEC §51.9337.

In addition, in accordance with Texas Government Code §2102.005(b), Internal Audit considered methods for ensuring compliance with contract processes and controls and for monitoring university contracts during the risk assessment process for FY23.

III.   Consulting Services and Nonaudit Services Completed

Consulting services include advisory and related client service activities, the nature and scope of which are agreed with the client. They are intended to add value and improve governance, risk management and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation, and training.

The following is a list of consulting services completed in FY23, as defined in the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

Report No. & Date Internal Memo Issued	Title	High-Level Objectives	Observations, Results, and Recommendations
CR2301 March 10, 2023	Business Continuity Plan	Assess the effectiveness of controls over the business continuity planning system.	Due to complete turnover in the department, opportunities included improving business continuity planning processes, policies and procedures, staffing, monitoring, and training.

Advisory, facilitation and education activities included the following during FY23:
- Participating on the hotline triage team.
- Participating on institutional committees, including the University Business Council and the Endowment Compliance Team.
- Holding training sessions for university employees on internal audit, fraud, and top university risks.

- Providing advice and counsel to the university community when requested.

The Office of Audit and Consulting Services did not perform any nonaudit services as defined in *Government Auditing Standards*, 2018 Revision, Technical Update April 2021, Sections 3.64 – 3.106 that were completed during FY23. Nonaudit services are professional services provided to a client during an audit engagement that may threaten the independence on the audit.

IV.   External Quality Assurance Review

In accordance with IIA Standards and the Texas Internal Auditing Act, an external quality assurance review was conducted during FY20. A copy of the report is included at **Appendix 2**. As of this report date, an external quality assurance review is in process and will be completed by December 31, 2023.

V.   Internal Audit Plan for Fiscal Year 2024

The FY24 Internal Audit Plan was approved by the UT Dallas Institutional Audit Committee with final approval by the UT System Board of Regents' Audit, Compliance, and Risk Management Committee on August 23, 2023. A copy of the plan, including budgeted hours, the risk assessment methodology and audits addressing certain State requirements, is included as **Appendix 3.**

The risk assessment process identified high risks that are not on the FY24 plan, including those carried forward to FY24 from FY23. All critical risks identified are included on the plan. The following shows the mitigation plan for each high risk.

Risk Category	Risk Mitigation
IT Funding and Staffing	Compensation Study planned for FY24
Incident Response	Reliance on Information Security office activities
Talent Management	Compensation Study planned for FY24
Financial Aid/Scholarships	State Auditor's Office conducted audit work in FY23; FY23 audit of scholarships
HIPAA	Outside review conducted
Strategic Enrollment Planning	Provost/Cabinet initiatives
Tuition & Fees	External audit work
Institutional Compliance Program	UT System review; planned FY24 review
Contract and Grant Uniform Guidance Compliance	FY23 external audits
Campus Security	Now Reporting to Institutional Compliance, Equity, and Title IX Initiatives (ICET); reliance on ICET

Risk Category	Risk Mitigation
Minors on Campus	Now Reporting to Institutional Compliance, Equity, and Title IX Initiatives (ICET); reliance on ICET
Data Governance (External Reporting, Strategic Planning, and Metrics)	Newly created Office of Institutional Success and Decision Support - Institutional Research, Analytics, and Reporting, working on initiatives in this area over data governance at data dictionary. Full audit in FY25.
Clery Act	Reliance on ICET work

VI.   External Audit Services Procured in Fiscal Year 2023

The following external audit services, including financial and performance audits and attestation engagements, reviews, and agreed-upon procedures were procured during FY22/23:

External Auditor	Services Provided
Weaver	Cancer Prevention and Research Institute of Texas (CPRIT) required audit
Deloitte	Financial audit
Postlewaithe and Netterville	Network Management audit
Weaver	Data Analytics Project

VII.   Reporting Suspected Fraud and Abuse

The following actions were taken by The University of Texas at Dallas to implement the requirements of reporting suspect fraud and abuse by the General Appropriations Act:

A.   Fraud Reporting

Section 7.09, page IX-38, the General Appropriation Act (87th Legislature)

A state agency or institution of higher education appropriated funds by this Act, shall use appropriated funds to assist with the detection and reporting of fraud involving state funds by:

(1) *providing information on the home page of the entity's website on how to report suspected fraud, waste, and abuse involving state resources directly to the State Auditor's Office. This shall include, at a minimum, the State Auditor's Office fraud hotline information and a link to the State Auditor's Office website for fraud reporting; and*
(2) *including in the agency or institution's policies information on how to report suspected fraud involving state funds to the State Auditor's Office.*

The following actions have been taken by UT Dallas to ensure compliance with the fraud reporting requirements:

- UT Dallas has a link for fraud reporting under "Required Links" at the University's home page, www.utdallas.edu, which provides information about reporting fraud, waste and abuse to the State Auditor's office.
- UT Dallas has a hotline for reporting suspected noncompliance, ethics violations, and fraud at https://institutional-initiatives.utdallas.edu/compliance/resources/ethics-and-compliance-hotline/.
- The Office of Internal Audit has a website for fraud at https://audit.utdallas.edu/fraud/.

UT Dallas complies with this in conjunction with the UT System Policy UTS118, *Statement of Operating Policy Pertaining to Dishonest or Fraudulent Activities,* located at https://www.utsystem.edu/sites/policy-library/policies/uts-118-dishonest-or-fraudulent-activities.

B. Coordination of Investigations

Texas Government Code, Section 321.022, Coordination of Investigations

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

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

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

The following actions have been taken by UT Dallas to ensure compliance with the Coordination of Investigations requirements:

- The Office of Audit and Consulting Services will report the activities listed in (a) above to the State Auditor's Office via their website at: https://sao.fraud.texas.gov/ReportFraud/.
- Additionally, the activities listed in (a) above are reported to the UT System Audit Office.

VIII. Posting Requirements

Texas Government Code, Section 2102.015, requires certain information to be posted on the website. Below is a summary of the requirements:

A. Approved FY24 audit plan. See https://audit.utdallas.edu/audit-reports-and-plans/.
B. FY23 internal audit annual report. See https://audit.utdallas.edu/audit-reports-and-plans/.
C. Detailed summary of the weaknesses, deficiencies, wrongdoings, or other concerns, if any, raised by the audit plan or annual report; summary of the action taken by the agency to address the concerns, if any, that are raised by the audit plan or annual report. See **Appendix 4**.

IX. Office of Audit and Consulting Services

A. **Staff Size**: As of the date of this report, the Office of Audit and Consulting Services consisted of seven full-time auditors and one part-time (less than 50%) auditor. The organization structure is at https://audit.utdallas.edu/authority-and-oversight/organization-chart/.

B. **Staff Experience and Certifications:** As of the date of this report, the internal audit staff consisted of highly qualified and skilled audit professionals with certifications that included three Certified Public Accountant (CPA), two Certified Internal Auditors (CIA), four Certified Fraud Examiners (CFE), one employee with a Certificate in Risk Management and Assurance (CRMA) and two Certified Information Systems Auditors (CISA). A complete list of internal audit qualifications can be found at https://audit.utdallas.edu/about-us/staff/.

C. **Training:** Internal Audit staff received an average of 76 hours of continuing professional education during FY23. Key areas of training included emerging audit issues, governance, risks and controls, information systems auditing, cybersecurity, research risks, leadership, fraud, compliance and ethics. Most of the training was received by participating in conferences, seminars and webinars offered by the Association of College and University Auditors (ACUA), the Dallas Chapter of the Institute of Internal Auditors (IIA), the Institute of Internal Auditors, The University of Texas System, Baker Tilly, ISACA, and the Association of Certified Fraud Examiners (ACFE).

D. **Contributions to the Profession:** Members of the staff contributed to the profession in numerous ways:

- ✓ The Chief Audit Executive (CAE) participated on the ACUA faculty, presented a session on auditing property at the ACUA Audit Interactive conference, and served as the ACUA Historian.
- ✓ The audit staff worked with and mentored student interns in the UT Dallas Internal Auditing Education Partnership program, as they participated in various audit projects as student auditors during the year. During FY23, Audit and Consulting Services worked with seven student interns.
- ✓ The CAE participated in a quality assurance review of another university audit department.
- ✓ The Audit Manager participated in the ACUA data analytics committee.
- ✓ The Senior Auditor participated with the Dallas Chapter of the Institute of Internal Auditors as the Registration Co-Chair.

APPENDIX 1

FY23 AUDIT PLAN

Appendix 1: FY23 Audit Plan
As of 11/1/2023

Engagement/Project	In Process	Carried Forward to FY23	Completed - No Report Issued	Other	Report Issued	Report No.	Date	Comments
Assurance Engagements								
Animal Care/IACUC					X	R2308	5/15/2023	
Building Access	X							
Business Continuity					X	CR2301	3/10/2023	consulting review report to management
Center for Brain Health					X	R2312	8/1/2023	
Construction		X						
Decentralized Computing					X	R2313	8/14/2023	
Education Abroad and International Travel		X						
Export Controls	X							
Financial Aid				X				Deleted due to State Auditor's Office audit of Financial Aid which in process as of the date of this report
Lab Safety	X							
Offboarding Process	X							
Revenues (internal and external sales)					X	R2401		
Risk-Based Audit Process Development	X							
Risk-based Audits of Divisions, Schools, and Departments				X				This was reserved to conduct various risk-based reviews. See below for reviews conducted.
Ackerman Center for Holocaust Studies					X	CR2401	9/14/2023	consulting review report to management
Vulnerability Management		X						
FY22 Carryforward Audits - Assurance								
Data Analytics and Continuous Auditing	X							
Gifts					X	R2305	12/21/2022	
Parking Operations	X							Completed. Report to be issued in November 2023
Research Participants					X	R2303	11/9/2022	
AES Scholarships					X	R2306	1/4/2023	
Center for Innovation & Entrepreneurship					X	R2307	5/12/2023	
Salaries, Wages, and Additional Pay	X							
SEVIS	X							
Network Management					X	R2309	6/26/2023	
Advisory and Consulting Engagements								
Academic Operations				X				reserve for consulting and advice - no report
Administrative Operations				X				reserve for consulting and advice - no report
Crow Museum	X							Completed. Report to be issued in November 2023
Information Technology and Security Operations				X				reserve for consulting and advice - no report
Participation on Institutional Committees				X				reserve for consulting and advice - no report
Research Operations				X				reserve for consulting and advice - no report
Training for University Employees				X				training campus employees - no report
Property Management					X	CR2402	9/20/2023	consulting review report to management
Reserve for advisory and consulting engagements				X				reserve - no report
Required Engagements								
Assistance to External Auditor - Financial Audit				X				assistance to financial auditors - no report
Assistance to External Auditors				X				assistance to external auditors - no report
Education Research Center	X							
Lena Callier Trust					X	R2311	7/19/2023	
Purchasing Compliance with Texas Education Code					X	Memo	8/25/2023	
THECB Facilities Audit					X	R2310	7/11/2023	
Investigations								
Hotline Triage Team								time reserve for hotline team and call reviews - no report
Investigation #1						INVR2301	12/2/2022	report to management
Investigation #2						INVR2302	2/7/2023	report to management
Investigation #3						INVR2401	9/20/2023	report to management
Reserve for Investigations								reserve - no report
Reserve								
Reserve for Unanticipated Projects and Emerging Risks				X				reserve - no report
Follow-Up								
Follow-Up Quarter 1				X				Results reported to Audit Committee at quarterly meetings
Follow-Up Quarter 2				X				
Follow-Up Quarter 3				X				
Follow-Up Quarter 4				X				

Appendix 1: FY23 Audit Plan
As of 11/1/2023

Engagement/Project	In Process	Carried Forward to FY23	Completed - No Report Issued	Other	Report Issued	Report No.	Date	Comments
Development - Operations								
Annual Internal Audit Report			X		X	N/A	10/25/2022	
Audit Committee			X					
Audit Manager Leadership			X					
CAE Leadership			X					
External Quality Assurance Review	X	X						Report to be issued by end of December 2023
External Requests for Information			X					
FY24 Audit Plan and Risk Assessment				X		N/A	8/27/2023	
Internal Quality Assurance Review			X					Report to be included with external report
IT Audit Technical Support			X					
Quality Assurance and Improvement Plan			X					
Staff Meetings			X					
Website and Marketing			X					
UT Dallas Meetings and Events			X					
UT System Meetings			X					
Development - Initiatives and Education								
Certifications			X					
Continuing Professional Education			X					
Staff Training and Professional Activities			X					
Participation in Professional Organizations			X					
Participation in QAR's for Other Organizations				X				One external QAR conducted during FY23 - report to the external peer
Professional Writing, Publications, Presentations			X					
Student Internship Program			X					
UT Dallas Audit Strategic Initiatives			X					
UT System Audit Strategic Initiatives			X					
UT System Implementation of New Audit Management Software		X						

APPENDIX 2

EXTERNAL QUALITY ASSURANCE REVIEW

Note: at the time of this report an external quality assurance review was in process. A report is scheduled to be issued by December 31, 2023.

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Ms. Toni Stephens, Chief Audit Executive
The University of Texas at Dallas

In April 2020, The University of Texas at Dallas (UT Dallas) internal audit (IA) function, the Office of Audit 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 Dallas 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 Dallas and is subject to the terms and conditions of our related contract. Baker Tilly disclaims any contractual or other responsibility to others based on its use and, accordingly, this information may not be relied upon by anyone other than The University of Texas System Administration and The University of Texas at Dallas.

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

APPENDIX 3

FY24 AUDIT PLAN

The University of Texas
at Dallas

Office of Audit & Consulting Services
Internal Audit Plan
Fiscal Year 2024

THE UNIVERSITY OF TEXAS AT DALLAS
Office of Audit & Consulting Services
800 W. Campbell Rd. SP2 33, Richardson, TX 75080
Phone 972-883-4876

August 27, 2023

Dr. Richard Benson, President and Member of the Institutional Audit Committee
Mr. John Cullins, Chair of the Institutional Audit Committee

We are pleased to submit the annual internal audit plan for The University of Texas at Dallas. The UT Dallas Institutional Audit Committee approved the plan on July 7, 2023, and the UT System Board of Regents' Audit, Compliance, and Risk Management Committee approved the plan on August 23, 2023. As required by Texas Government Code, Section 2102.015, we are required to post this plan on our website at https://audit.utdallas.edu/audit-reports-and-plans.

Please note that given the rapidly changing environment, the FY24 Audit Plan and respective risks will be continuously monitored and discussed at the quarterly meetings of the UT Dallas Audit Committee. When necessary, this audit plan will be revised.

We appreciate the support that you, executive management, and the Institutional Audit Committee offer us in the performance of our responsibilities at UT Dallas.

DocuSigned by:

Toni Stephens

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Toni Stephens
Chief Audit Executive

cc: Members of the UT Dallas Institutional Audit Committee
    External Agencies:
    • The University of Texas System Audit Office
    • Legislative Budget Board
    • Governor's Office
    • State Auditor's Office

Methodology

The UT Dallas FY24 Audit Plan outlines the internal audit activities that will be performed by Internal Audit during FY24 in accordance with criteria established by the UT System, the Texas Internal Auditing Act, the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, and Generally Accepted Government Auditing Standards. The plan is prepared using a risk-based approach to ensure that areas and activities specific to UT Dallas with the greatest risk are identified for consideration to be audited.

Allocation of Time

The FY24 Audit Plan budget of 12,781 hours was based on available staff hours for 7.75 internal audit professionals.

The graph depicts the allocation of time. Assurance engagements, which comprise 60% of the total budget, are risk-based audits that typically encompass financial, compliance, operational, and information technology areas.

FY24 AUDIT PLAN ENGAGEMENTS

- Advisory 6%
- Initiatives and Education 15%
- Assurance 57%
- Operations 14%
- Follow-up 1%
- Investigations & Reserve 4%
- Required 3%
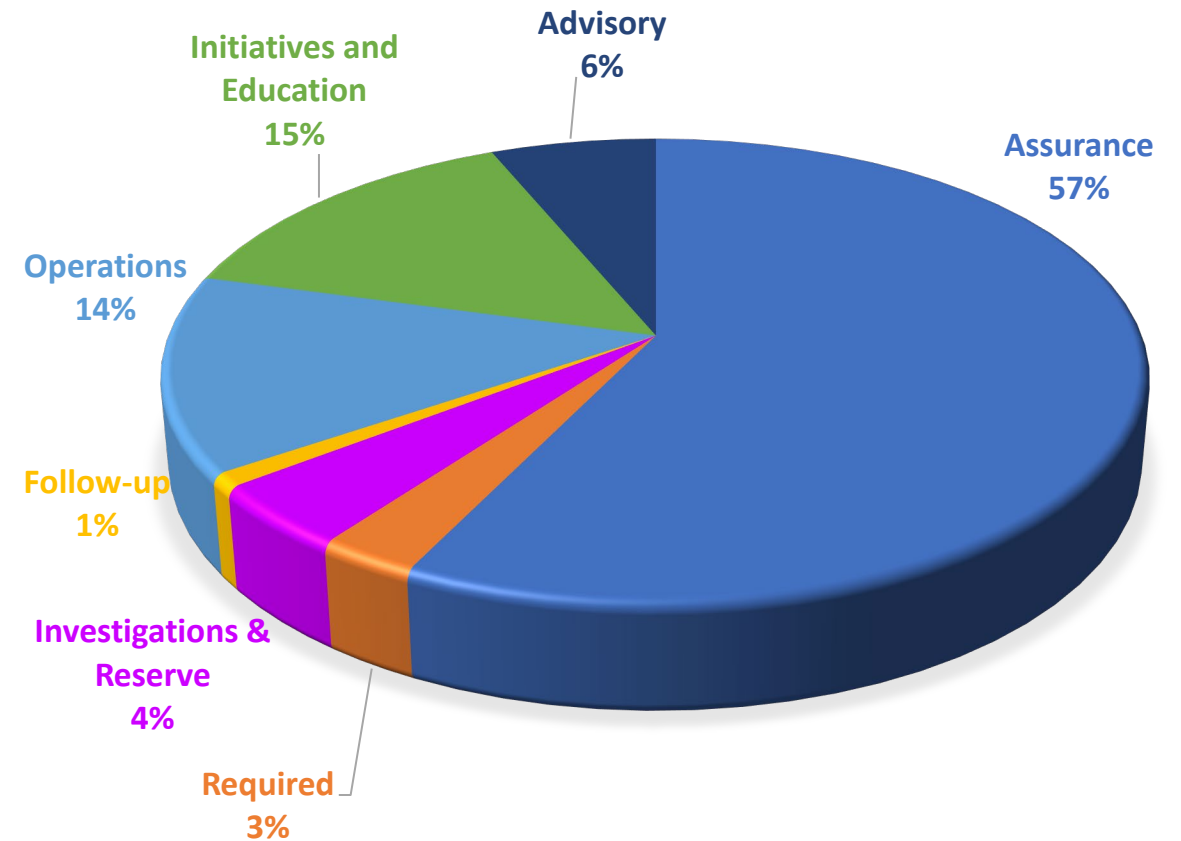
Risk Assessment Process

As part of the FY24 audit planning process, the UT Dallas Office of Audit and Consulting Services used the UT System Audit Office risk assessment methodology. The goals for this common risk assessment approach were to start at the top with an awareness of critical initiatives and objectives to ensure the risks assessed were the most relevant. The assessment process was standardized by creating common terms and criteria, enabling trending of risk and System-wide comparisons. An emphasis was placed on collaboration with other functions that assess, handle, or manage risk.

The risk assessment approach was based on a top-down process that included conversations, surveys, and requests for input with executive leadership, the audit committee, risk collaborators, and managers from the various operating areas on campus. Risks were ranked based on the probability and impact. ***All critical and high risks require either an audit or some other form of risk mitigation.*** Risk mitigating factors are contained in the detailed audit plan that is approved by the Institutional Audit Committee. The graphs that follow represent the results of the risk assessment process.

Risk Matrix

Risk Scoring Matrix		Impact		
		High	Medium	Low
Probability	High	C	H	M
	Medium	H	M	L
	Low	M	L	L

Risks are identified as either High, Medium, or Low based on the probability of occurrence and the impact to the organization. When a risk is considered both a high probability and a high impact, it is defined as a critical risk.

Office of Audit & Consulting Services
FY24 Internal Audit Plan

This graph shows the FY24 Audit Plan Risks and Audit Hours by Taxonomy Type.

Risk Count				Taxonomy	Budgeted Internal Audit Hours
5	12	13	11	Information Technology	4,460
	8	22	6	Finance	1,630
1	9	13	1	Research	1,150
	4	11	2	Instruction	400
	4	12	1	Auxiliary Services	0
	12	3	1	Governance	4,740
	4	6	2	Student Services	750
	5	6		Human Resources	750
	3	6	1	University Development	100
	2	7		Facilities Management	400
		6		Academic Support	0
	3	4		Enrollment Management	0
		2	4	University Relations	0
		4		Risk Management	0
		4		Purchasing/Supply Chain	10
	3			Public Services	0
		1	1	Property	750
	1			Revenue Cycle Related to Medical Services	0
		1		Legal	0

Rating Legend
- CRITICAL
- HIGH
- MEDIUM
- LOW

FY24 Audit Plan

Office of Audit & Consulting Services
FY24 Internal Audit Plan

Engagement	Risk	Primary Taxonomy	General Objective
Athletics	High	Finance	Risk-based audit to evaluate financial and accounting processes, internal controls systems, and the effectiveness and efficiency of related operations and controls in Athletics.
Biomedical Device Center	High	Finance	Risk-based audit to evaluate financial and accounting processes, internal controls systems, and the effectiveness and efficiency of related operations and controls in the Center.
Business Continuity	High	Governance	Follow-up audit to reassess the effectiveness of controls over business continuity planning.
Compliance with General Appropriations Act	High	Governance	Ensure compliance with selected sections of the General Appropriations Act, focusing on Articles III and IX and special provisions related to UT Dallas.
Decentralized Computing - School of Arts, Humanities, and Technology	Critical	Information Technology	To assess the effectiveness of controls over decentralized computing operations in the School of AHT, including compliance with TAC 202 and security and control standards such as patching, vulnerabilities, logging, encryption, asset inventory, backup and recovery, change management, technology selection, and data center security.
Decentralized Computing – Engineering	Critical	Information Technology	To assess the effectiveness of controls over decentralized computing operations in the School of Engineering, including compliance with TAC 202 and security and control standards such as patching, vulnerabilities, logging, encryption, asset inventory, backup and recovery, change management, technology selection, and data center security.
Decentralized Computing – Research Information Systems	Critical	Information Technology	To assess the effectiveness of controls over decentralized computing operations in Research Information Systems, including compliance with TAC 202 and security and control standards such as patching, vulnerabilities, logging, encryption, asset inventory, backup and recovery, change management, technology selection, and data center security.
Educational Technology Services	High	Instruction	Audit to ensure the controls in place over online learning are adequately designed and operating to manage the risks related to the student learning experience.
Facilities Management Inventory System	High	Facilities Management	Assess the effectiveness of controls over facilities management inventory processes.
Foreign Influence Follow-up	Critical	Research	Follow-up audit to determine if the UT Dallas Plan to Address Foreign Influence on Research has been implemented and processes are operating in compliance with the plan.

Engagement	Risk	Primary Taxonomy	General Objective
Payment Acceptance Process	High	Finance	To ensure the effectiveness of controls over payment acceptance processes, including ensuring compliance with Payment Card Industry (PCI) data standards.
Remote Workforce	High	Human Resources	To ensure compliance with remote workforce guidelines, including agreements, out of state work agreements and restrictions, and the safeguarding of university assets.
Research Data Security	High	Research	To assess the effectiveness of information security controls over research data, including compliance with federal, state, and other applicable regulations such as NSPM-33.
School of Interdisciplinary Studies	High	Finance	Risk-based audit to evaluate financial and accounting processes, internal controls systems, and the effectiveness and efficiency of related operations and controls in the School.
Student Wellness	High	Student Services	Audit to ensure the controls in place over student wellness initiatives are adequately designed and effective to manage the risks related to student safety and mental health.
Title IX	High	Governance	To determine if UT Dallas complies with the requirements of Title IX.
Travel and Entertainment	High	Finance	To ensure that travel and entertainment expenses were in compliance with UT Dallas and other applicable policies and procedures.
Venture Development Center	High	Finance	To review internal controls issues over the Venture Development Center after an investigation by the Office of Research.

Engagement	Risk	Primary Taxonomy	General Objective
Carried Forward from FY23			
Building Access	High	Auxiliary Services	Audit of building card access as well as follow-up of key shop audit recommendations from previous year.
Data Analytics Project	High	Governance	Development and performance of data analytics to perform continuous review of high-risk areas.
Education Abroad and International Travel	High	Instruction	Audit of education abroad program and international travel process.
Export Controls	High	Research	Compliance audit of the export controls processes.
Lab Safety	High	Research	Compliance audit of the lab safety program.
Offboarding Process	Critical	Human Resources	Audit of the offboarding process for employees who terminate, transfer, or retire. Will also include review of identity lifecycle/access management.
Parking Operations	High	Auxiliary Services	Audit of parking operations to assess the effectiveness of operations and financial impacts resulting from pandemic.
Salaries, Wages, and Additional Pay	High	Finance	To provide assurance as to the adequacy and effectiveness of controls over the management of salaries, wages, and additional/supplemental pay.
SEVIS	High	Instruction	To provide assurance as to the adequacy and effectiveness of controls over the new Student and Exchange Visitor Program (SEVIS) system.
Vulnerability Management	Critical	Information Technology	To determine if UT Dallas has an effective vulnerability management process and that it complies with Texas Administrative Code 202.

Advisory Engagements

Engagement	Risk	Primary Taxonomy	General Objective
Academic Operations	N/A	Academic Support	Consulting and meetings held with new and existing leaders in academic affairs areas, including deans.
Administrative Operations	N/A	Finance	Consulting and meetings held with new and existing leaders in non-academic affairs areas.
Environmental, Social, and Governance (ESG)	High	Governance	Evaluate the risks and assess the effectiveness of the environmental, social, and/or governance strategies at the university.
Information Technology and Security Operations	N/A	Information Technology	Consulting and meetings held with Information Technology and Information Security leaders.
Participation on Institutional Committees	N/A	N/A	Participation on various IT, finance, and other committees where audit has been appointed in a consulting role. Current committees include Cabinet; University Business Management Council; Endowment Compliance Team; Information Security Committees.
Research Operations	N/A	Research	Consulting and meetings held with leaders in research.
Training for University Employees	N/A	N/A	Training program and other informational sessions for university employees on internal audit, fraud, risks, and controls.
Carried Forward from FY23			
Crow Museum	High	Public Services	New operations and initiatives - consulting to ensure proper internal controls are in place.
Property Management	High	Property Management	Consulting review to ensure property audit recommendations from previous audit have been implemented.

Engagement	Risk	Primary Taxonomy	General Objective
Assistance to Financial Auditors for External Audit - Interim	N/A	Finance	Assistance on Deloitte external audit for interim work - summer 2024
Assistance to Financial Auditors for External Audit - Final	N/A	Finance	Assistance on Deloitte external audit for final work - fall 2023
Assistance to State and Other Auditors	N/A	N/A	Hours to be provided in the event of an external audit not anticipated at the time of the Audit Plan development. This does not pertain to Deloitte.
Education Research Center	Low	Information Technology	Annual audit to certify that the Education Research Center at UT Dallas is in full compliance with all terms of the contract between the THECB and UT Dallas and all applicable state and federal laws for FY23.
Lena Caller Trust	Low	University Development	Annual audit, required by the Trust agreement, to ensure compliance with the terms of the agreement, for FY23.
Purchasing Compliance with Texas Education Code	Medium	Purchasing/Supply Chain	Annual audit to ensure compliance with Texas Education Code (TEC) Section 51.9337.
Investigations	N/A	N/A	Conduct investigations resulting from hotline (fraud), UT System, SAO, management, or other sources.
Follow-up Audits	N/A	N/A	Follow up on recommendations from previous audits.

Operations	Initiatives & Education
Annual Internal Audit Report	Continuing Professional Education, Professional Activities, and Certifications
Audit Committee	New Audit Management Software
Leadership	Participation in Professional Organizations and Quality Assurance Reviews
External Quality Assurance Review	Strategic Initiatives
FY25 Audit Plan and Risk Assessment	Student Internship Program
Meetings	
Operational Support to the Department	
Quality Assurance and Improvement Plan	

APPENDIX 4

STATUS OF FY23 AUDIT RECOMMENDATIONS

Report #	Date Issued	Engagement Name	Recommendation	Risk Level	Status at 8/31/2023	Estimated Implementation Date If Not Fully Implemented
Audit Recommendations Prior to FY23 - Outstanding 8/31/2022						
R2109	5/17/2021	Conflicts of Interest	Consider implementing a structure similar to the three lines model to ensure that the operations, monitoring and investigations functions in research compliance are separate. Evaluate the current structure, systems, and processes for handling research and non-research conflicts of interest for efficiency and enhanced oversight.	High	Incomplete/Ongoing	12/15/2023
R2109	5/17/2021	Conflicts of Interest	Review and fully complete the existing conflicts of interest action plan.	High	Incomplete/Ongoing	12/15/2023
R2112	7/9/2021	Account Management	This report contains confidential information that relates to information security and is not subject to the disclosure requirements of the Texas Public Information Act, based on the exception found in the Texas Government Code, § 552.139. Specific results were made to the appropriate members of management.	Medium	Incomplete/Ongoing	3/31/2024
R2114	8/2/2021	School of Engineering & Computer Science	Consider developing internal procedures to strengthen controls and reporting over property by conducting periodic internal inventories and having each department and center be accountable for their own inventory management and process.	Medium	Incomplete/Ongoing	11/30/2023
R2114	8/2/2021	School of Engineering & Computer Science	Consider performing a cost analysis on a recurring basis on the E-Plan to ensure cost-effectiveness. Also ensure that the Office of Accounting and Financial Reporting reviews the external sales rates in accordance with university policies and procedures. UTDesign should require a contract agreement between the external corporate sponsors and UTD to ensure appropriate billing and management.	Medium	Incomplete/Ongoing	11/30/2023
R2114	8/2/2021	School of Engineering & Computer Science	Continue to work toward finalizing the policies and procedures manual, including specific procedures for travel and parking expenses, and ensure it is available to all faculty and staff within the Dean's Office.	Medium	Fully Implemented	
R2201	11/11/2021	eProcurement	The Office of Budget and Finance should explore opportunities to mitigate risks and maintain financial protection in the event of a fraud.	Low	Fully Implemented	
R2202	1/20/2022	Accounts Receivable	Accounting and Financial Reporting should provide additional guidance related to the receivables policy to the receivable coordinators and other staff members involved in the process, and then conduct periodic monitoring to ensure the policies are being followed.	Medium	Fully Implemented	
R2202	1/20/2022	Accounts Receivable	Update the policy and document the internal accounting and financial report procedures regarding receivables.	Medium	Fully Implemented	
R2203	3/16/2022	Criminal Background Checks - Faculty Hiring	The Office of the Provost should review the faculty hiring procedures in consultation with the HR department to ensure appropriate training and knowledge is recorded. The Provost's Office should also consider hiring additional personnel to assist in the faculty hiring process. Additionally, the Provost Office should be listed as a responsible party in the Plan to Address Foreign Influence on Research in element M4.	Medium	Fully Implemented	
R2204	3/23/2022	Foreign Influence on Research	The report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 418.177. Specific results were made to the appropriate members of management.	High	Substantially Implemented	Implemented per management 8/29/2023; awaiting verification by Internal Audit
R2205	4/14/2022	Key Shop	Improve controls related to the issuance, control, recordkeeping, and return of keys by updating and implementing policies and procedures; working with division heads, deans, and department heads to ensure accurate key inventories; implementing periodic monitoring via key audits; and strengthening the key data management and checkout processes.	High	Incomplete/Ongoing	Implemented per management; however, upon verification Internal Audit found still in progress. Awaiting results of management response as of this report date.
R2207	5/25/2022	School of Arts and Humanities	Develop internal procedures to strengthen controls and departmental reporting over property, including conducting periodic internal inventories. The School should also work closely with the Office of Development to ensure gifts in kind are properly accounted for and tracked by the School.	High	Fully Implemented	
R2207	5/25/2022	School of Arts and Humanities	Require conflicts of interest and commitment to be reported in compliance with University policies and monitor the reports for completeness.	Medium	Incomplete/Ongoing	10/1/2023
R2207	5/25/2022	School of Arts and Humanities	Management should strengthen financial and management operations, especially in the areas of separation of duties, documentation for gifts and expenses, business continuity planning, policies and procedures, departmental communications, and completion of the School's strategic plan.	Medium	Incomplete/Ongoing	12/31/2023
R2209	8/5/2022	Family Educational Rights and Privacy Act (FERPA)	Opportunities exist to update the FERPA Risk Management Plan and enhance related monitoring and training programs. Update the FERPA Risk Management Plan and enhance related monitoring and training programs.	High	Fully Implemented	
FY23 Audit Recommendations - Status as of 8/31/2023						
R2301	9/6/2022	Software Development Life Cycle	The report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 418.177.	Medium	Fully Implemented	
R2301	9/6/2022	Software Development Life Cycle	The report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 418.177.	Medium	Incomplete/Ongoing	8/31/2023
R2302	9/22/2022	Student Fees	Management should review existing procedures and enforce the telecommunications policies that state that cell phone charges should not be paid from university funds without a legitimate business or research need.	Low	Fully Implemented	
R2302	9/22/2022	Student Fees	A university-wide policy should be developed to clarify the use of university funds for employee parking.	Low	Fully Implemented	
R2302	9/22/2022	Student Fees	Management should ensure compliance with the Texas Education Code and ensure that the Athletics Fees budget is sustainable and not supplemented by Student Services Fees.	Medium	Fully Implemented	
R2302	9/22/2022	Student Fees	Periodic education should be given to employees who make purchases from, reconcile, own, and approve university cost centers, including those funded from student fees.	Medium	Fully Implemented	
R2302	9/22/2022	Student Fees	Discontinue the use of paying for faculty salaries with advising fees and instead use designated tuition funds.	Medium	Incomplete/Ongoing	9/30/2023
R2304	11/9/2022	Education Research Center	All or portions of this document may be confidential or excepted from disclosure under Texas Government Code, §552.139.	Medium	Fully Implemented	
R2304	11/9/2022	Education Research Center	All or portions of this document may be confidential or excepted from disclosure under Texas Government Code, §552.139.	Medium	Fully Implemented	
R2303	11/9/2022	Research Participants	The Human Subjects Risk Management Plan should be updated.	Medium	Incomplete/Ongoing	5/30/2024

Report #	Date Issued	Engagement Name	Recommendation	Risk Level	Status at 8/31/2023	Estimated Implementation Date If Not Fully Implemented
R2303	11/9/2022	Research Participants	Consider revising the IRB appointment process to align with best practices from other research universities that involve appointment approvals by research.	Medium	Fully Implemented	
R2305	12/21/2022	Gifts	Enhance Compliance with Section 117 of the Higher Education Act	High	Fully Implemented	
R2305	12/21/2022	Gifts	Enhance Access and Repository Controls within Raiser's Edge	High	Fully Implemented	
R2305	12/21/2022	Gifts	Monitor and Update Training	Medium	Fully Implemented	
R2305	12/21/2022	Gifts	Provide Additional Monitoring Over Decentralized Gift Operations	Medium	Fully Implemented	
R2305	12/21/2022	Gifts	Improve Processes over Donations of Gifts in Kind	Medium	Incomplete/Ongoing	10/1/2023
R2305	12/21/2022	Gifts	Update Policies and Procedures	Medium	Incomplete/Ongoing	10/1/2023
R2306	1/4/2023	Academic Excellence Scholarships	Improve Continuing Students AES Review Process	Medium	Fully Implemented	
INVR2302	2/7/2023	Investigation	Report to Management on Improving Internal Controls	High	Incomplete/Ongoing	8/31/2024
INVR2302	2/7/2023	Investigation	Report to Management on Improving Internal Controls	High	Incomplete/Ongoing	8/31/2024
INVR2302	2/7/2023	Investigation	Report to Management on Improving Internal Controls	High	Incomplete/Ongoing	8/31/2024
INVR2302	2/7/2023	Investigation	Report to Management on Improving Internal Controls	High	Incomplete/Ongoing	8/31/2024
INVR2302	2/7/2023	Investigation	Report to Management on Improving Internal Controls	High	Incomplete/Ongoing	8/31/2024
CR2301	3/10/2023	Business Continuity Plan	Report to Management on Improving Internal Controls	High	Incomplete/Ongoing	3/1/2024
CR2301	3/10/2023	Business Continuity Plan	Report to Management on Improving Internal Controls	High	Incomplete/Ongoing	12/1/2023
CR2301	3/10/2023	Business Continuity Plan	Report to Management on Improving Internal Controls	High	Incomplete/Ongoing	12/1/2023
CR2301	3/10/2023	Business Continuity Plan	Report to Management on Improving Internal Controls	High	Incomplete/Ongoing	12/1/2023
CR2301	3/10/2023	Business Continuity Plan	Report to Management on Improving Internal Controls	High	Incomplete/Ongoing	6/1/2024
CR2301	3/10/2023	Business Continuity Plan	Report to Management on Improving Internal Controls	High	Fully Implemented	
R2307	5/12/2023	Institute of Innovation and Entrepreneurship	Institute leadership should work with UT Dallas management to create a funding plan that will help secure and sustain future funding for the Institute. The funding plan should be reviewed on an annual basis to ensure funding is secured for future fiscal years.	Medium	Incomplete/Ongoing	12/1/2023
R2307	5/12/2023	Institute of Innovation and Entrepreneurship	Management should strengthen financial and management operations by developing department-specific policies and procedures that will improve controls primarily over expenses, cost center reconciliations, business continuity, and accountability.	Medium	Incomplete/Ongoing	12/1/2023
R2307	5/12/2023	Institute of Innovation and Entrepreneurship	Remind employees and require conflicts of interest and commitments be reported in compliance with university policies and monitor the reports for completeness.	Medium	Incomplete/Ongoing	12/1/2023
R2307	5/12/2023	Institute of Innovation and Entrepreneurship	Strengthen controls over the Institute's property by developing internal procedures and separately tracking and conducting periodic inventories of the Institute's assets.	Medium	Incomplete/Ongoing	12/1/2023
R2308	5/15/2023	Animal Care	Improve Veterinarian Lab Inspection Process	Medium	Fully Implemented	
R2308	5/15/2023	Animal Care	Improve the Risk Management Plan and the Quarterly Compliance Report	Medium	Fully Implemented	
R2308	5/15/2023	Animal Care	Revise the Appointment Process for IACUC Members	Medium	Incomplete/Ongoing	1/31/2024
R2308	5/15/2023	Animal Care	Update Animal Delivery Monitoring	Low	Fully Implemented	
R2308	5/15/2023	Animal Care	Improve Record Retention Processes	Low	Fully Implemented	
R2312	8/1/2023	Center for BrainHealth	Strengthen Controls over Property Management	Medium	Incomplete/Ongoing	10/31/2023
R2312	8/1/2023	Center for BrainHealth	Improve Controls over Access to the Center	Medium	Incomplete/Ongoing	10/31/2023
R2312	8/1/2023	Center for BrainHealth	Review the Center's Governance Structure	Low	Incomplete/Ongoing	4/30/2025
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	High	Incomplete/Ongoing	12/15/2023
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	High	Incomplete/Ongoing	6/1/2024
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	High	Incomplete/Ongoing	12/28/2023
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	High	Incomplete/Ongoing	12/28/2023
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	High	Incomplete/Ongoing	9/30/2023
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	High	Incomplete/Ongoing	12/28/2023
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	High	Incomplete/Ongoing	12/15/2023
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	High	Incomplete/Ongoing	2/28/2024
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	High	Fully Implemented	
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	High	Fully Implemented	
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	High	Fully Implemented	
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	High	Fully Implemented	
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	Low	Incomplete/Ongoing	9/30/2023
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	Low	Incomplete/Ongoing	12/15/2023
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	Low	Incomplete/Ongoing	9/30/2023
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	Low	Fully Implemented	

Report #	Date Issued	Engagement Name	Recommendation	Risk Level	Status at 8/31/2023	Estimated Implementation Date If Not Fully Implemented
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R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	Low	Incomplete/Ongoing	12/15/2023
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	Low	Incomplete/Ongoing	12/31/2023
R2313	8/14/2023	Decentralized Computing	This report contains information that may be confidential or excepted from disclosure under the Texas Government Code Section 552.139, *Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers.*	Low	Incomplete/Ongoing	12/28/2023