

The University of Texas at El Paso

Office of Auditing and Consulting Services



Internal Audit Annual Report Fiscal Year 2022



The University of Texas at El Paso
Office of Auditing and Consulting Services

500 West University Ave.
Administration Bldg.
#402
El Paso, Texas 79968
915-747-5191
WWW.UTEP.EDU

DATE: October 28, 2022

TO: Sarah Hicks, Governor's Office - Budget and Policy Division
Internal Audit Coordinator, State Auditor's Office
Christopher Mattsson, Legislative Budget Board

FROM: Lori N. Wertz, Chief Audit Executive, Auditing and Consulting Services

SUBJECT: The University of Texas at El Paso Internal Audit Annual Report for Fiscal Year 2022

Attached please find The University of Texas at El Paso Internal Audit Annual Report for Fiscal Year 2022 as required by the Texas Internal Auditing Act. Should you have questions or need additional information, please contact me at (915) 747-8858 or e-mail lnwertz@utep.edu.



Table of Contents

- I.** Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit Information on the website
- II.** Internal Audit Plan for Fiscal Year 2022
 - II.a.** Revised Fiscal Year 2022 Audit Plan
 - II.b.** Summary of Changes – Fiscal Year 2022 Audit Plan
 - II.c.** Benefits Proportionality – Audit Requirements for Higher Education Institutions
 - II.d.** Compliance with Texas Education Code Section 51.9337(h)
- III.** Services and Non-Audit Services Completed
- IV.** External Quality Assurance Review (Peer Review)
- V.** Internal Audit Plan for Fiscal Year 2023
 - V.a.** High Risk Audits not in Fiscal Year 2023 Audit Plan
- VI.** External Audit Services Procured in Fiscal Year 2022
- VII.** Reporting Suspected Fraud and Abuse

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

In accordance with Texas Government Code, Section 2102.015 Publication of Audit Plan and Annual Report on Internet, the following information is posted on the website of The University of Texas at El Paso <https://www.utep.edu/audit>

- The approved Fiscal Year 2023 Audit Plan, as provided by Texas Government Code, Section 2102.008, and
- The Fiscal Year 2022 Internal Audit Annual Report, as required by Texas Government Code, Section 2102.009.

Additionally, a link to our individual audit reports are located on the University of Texas System website: <https://www.utsystem.edu/documents/audit-reports-institution>

II. Internal Audit Plan for Fiscal Year 2022



Office of Auditing and Consulting Services

2022 Audit Plan

Approved by the Internal Audit Committee

June 30, 2021





DISTRIBUTION LIST

University of Texas at El Paso

Dr. Heather Wilson, President
Dr. John Wiebe, Provost, Vice President for Academic Affairs
Mr. Mark McGurk, Vice President for Business Affairs
Ms. Guadalupe Gomez, Director, Contracts and Grants Accounting
Mr. Daniel Garcia, Associate Athletic Director/Business, Finance & Facilities
Ms. Mary Solis, Director, Chief Compliance and Ethics Officer

University of Texas System

System Audit Office

External

Governor's Office of Budget
Legislative Budget Board
Internal Audit Coordinator, State Auditor's Office

External Audit Committee Members

Mr. Steve DeGroat, Chair
Mr. Fernando Ortega

OVERVIEW

In accordance with the Texas Internal Auditing Act, The University of Texas System Administration Policy UTS 129 – Internal Audit Activities, and The Institute of Internal Auditors’ International Professional Practices Framework (IPPF) Performance Standards 2010 Planning and 2020 Communication and Approval, we have prepared an audit plan for Fiscal Year 2022. The FY 2022 Audit Plan is a description of the internal audit activities performed by the Office of Auditing and Consulting Services (OACS) in Fiscal Year 2022.

The process of preparing the FY 2022 Audit Plan included identifying risks that may impact University objectives and business activities, initially with senior management. The Internal Audit Committee reviewed and approved the FY 2022 Audit Plan. Members of the Internal Audit Committee provided input, as did Deans and Department Directors/Chairs, where appropriate.

RISK ASSESSMENT AND AUDIT PLAN DEVELOPMENT

The Institute of Internal Auditors' IPPF requires that internal auditors develop a risk-based audit plan that is in alignment with organizational goals and objectives. A top-down approach was used to identify risk factors with a high degree of correlation with strategic and operational objectives.

The final risk list was created by identifying processes with critical and high risks to be included in the FY 2022 Annual Audit Plan. The final risk list and draft audit plan were reviewed and approved by The University of Texas System (UT System) Audit Office and The University of Texas at El Paso (UTEP) Internal Audit Committee.

See **Exhibits A-1. – A-5.** for the approved **FY 2022 Annual Audit Plan.**

The audit plan was broken down into eight major categories:

- 1. Assurance Engagements**
- 2. Advisory and Consulting Engagements**
- 3. Required Engagements**
- 4. Investigations**
- 5. Reserve**
- 6. Follow-up Audits**
- 7. Development – Operations**
- 8. Development – Initiatives and Education**

Consideration of the following was given in developing the FY 2022 Audit Plan:

- Strategic and operational objectives
- Management input
- Various risk assessments
- Economical and efficient use of internal audit resources
- Required activities (i.e., KTEP FM Radio audit, Annual Financial Report, NCAA Compliance, etc.)
- Emerging issues in higher education

RISK ASSESSMENT METHODOLOGY

Our risk assessment process consists of a top-down approach following the steps below:

- Update our understanding of current strategic and operational objectives
- Identify and evaluate regulatory, industry, and market factors
- Meet with other risk assessors on campus
- Validate priorities through interviews with executive management
- Identify top areas in which priorities are significant and risk factors are high
- Scope the risk assessment and meet with management in high-risk areas
- Rank risks according to impact and probability
- Review risk list with executive management to determine risk mitigation factors, if any
- Address high risks in annual audit plan
- Document reasons certain high-risk areas are not included in audit plan

The following taxonomy was used by all UT System Academic Institutions:

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

VALUATION OF IMPACT AND PROBABILITY

IMPACT - The impact of a risk is the effect a single occurrence of that risk will have upon the achievement of the institution's goals and objectives.

There are three values:

CRITICAL/HIGH:	The effect would significantly impact the institution as a whole from achieving its goals and objectives.
MEDIUM:	The effect would seriously impede the institution's ability to operate efficiently or would cause significant expenditures of unplanned resources to meet goals and objectives.
LOW:	The measurable effect upon the achievement of institution's goals and objectives would be immaterial or insignificant.

The following factors were presented for consideration during the assessment of **IMPACT** for each element in the risk population:

- Human Health and Safety
- Societal/Environmental
- Monetary
- Business/Operations
- Information Technology
- Information Security
- Public Relations
- Reporting and Disclosure
- Strategic
- Compliance
- Fraud

PROBABILITY - The probability that a risk will become reality.

There are three values:

CRITICAL/HIGH:	It is extremely likely that an event will occur.
MEDIUM:	The probability of an event is similar to occurrences within the normal course of operations.
LOW:	The risk of an event is highly unlikely or would require a combination of multiple failures.

The following factors were presented for consideration during the assessment of **PROBABILITY** for each element in the risk population:

- History
- Conflicts of Interest
- Susceptibility to Fraud or Theft
- Key Changes including leadership, key personnel, regulations, policies, operating processes, computer systems, software applications, etc.
- Control Activities Need Improvement
- Policies and Procedures Require Updates
- Training
- Complexity of Unit or Process

Follow-up Audits

In accordance with the Institute of Internal Auditors' Performance Standard 2500 – Monitoring Progress, a follow-up process is in place to monitor and ensure that management actions have been effectively implemented, or that senior management has accepted the risk of not taking action. OACS uses the audit implementation deadline to determine when follow-up procedures should be conducted.

We run a report of all overdue recommendations by audit quarterly and send it to the respective Vice Presidents for their areas. We then select projects to follow up and send individual dashboard reports to each responsible party via email. The recipient indicates whether the finding(s) has been implemented and is ready for a follow-up audit. If they are not ready, we ask them to provide an updated implementation date. If we perform a follow-up audit, the results are communicated in an updated dashboard. If we determine a finding remains outstanding, an explanation is requested along with a revised implementation date. The final results are sent to the responsible party and their respective Vice President. An audit is officially closed after all recommendations have been verified as implemented.

Advisory/Consulting/Investigations

These projects are specifically requested by University management or mandated by UT System. The goal of performing special projects is to provide management with analyses, recommendations and information concerning the activities reviewed. Included in this category of audits are UT System requests, special requests and investigations.

Reserves

Hours are reserved for engagements (special requests, investigations and consulting) that are not identified or known at the time the plan is established but may be required and assigned during the year. As the fiscal year progresses and engagements become known, these hours will be reallocated to the appropriate categories designated in the plan.

Carryforward Audits

Carryforward audits are those FY 2021 Annual Audit Plan audits that are in progress on August 31, 2021.

SCOPE OF AUDITS

The IPPF addresses the scope of work as follows:

"The scope of the engagement should include consideration of relevant systems, records, personnel, and physical properties, including those under control of third parties."

"In performing consulting engagements, internal auditors should ensure that the scope of the engagement is sufficient to address the agreed-upon objectives."

Internal auditors should:

- Review the **reliability and integrity of financial and operating information** and the means used to identify, measure, classify and report such information.
- Review the systems established to ensure **compliance** with those policies, plans, procedures, laws, and regulations, which could have a significant impact on operations and reports and should determine whether the organization is in compliance.
- Review the means of **safeguarding assets** and, as appropriate, verify the existence of such assets.
- Appraise the **economy and efficiency** with which resources are employed.
- Review **operations or programs** to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

The planned scope of each of the audits in the approved FY 2022 Annual Audit Plan is described in **Exhibits A-1. – A-5.**

Exhibit A-1. FY 2022 Annual Audit Plan – Assurance Engagements

FY 2022 Audit Plan	Budget	Percent of Total	General Objective/Description
Assurance Engagements			
Decentralized IT Asset Purchases Audit	300		Determine compliance with the University's IT asset purchasing guidelines to ensure purchases are compatible with the network, supported by Information Resources, and do not expose the University to weaknesses.
Emergency Management Plan	350		Confirm that UTEP has a multi-hazard emergency management program that complies with UTS 172 Emergency Management.
Critical Data Backups Audit	375		Ensure the University's mission critical data is being backed-up, protected, tested, and there is enough storage capacity, as required by relevant TAC 202 controls.
Multi-Factor Authentication Audit	375		Ensure multi-factor authentication is implemented for mission critical information resources to reduce the risk of unauthorized access.
Higher Education Emergency Relief Fund II (HEERF II)	200		Evaluate and ensure appropriate and allowable costs are claimed to allow for maximum cost recovery, including cost transfers.
UTS 142.1 Monitoring Plan	175		Annual audit based on risk.
Controlled Unclassified Information (CUI)	400		Ensure processes are in place for researchers to identify CUI in University contracts and grants in order to coordinate monitoring plan with CISO according to related federal requirements.
Carryforward Audits			
Reporting of Foreign Gifts & Contracts	350		Verify compliance with Higher Education Act, Section 117 regarding gifts or contracts with or from a foreign source.
CARES Act Institutional Expenditures	100		Evaluate and ensure appropriate and allowable costs are claimed to allow for maximum cost recovery, including cost transfers.
Assurance Engagements Subtotal	2625	26.5%	

Exhibit A-2. FY 2022 Annual Audit Plan – Advisory and Consulting Engagements and Required Engagements

FY 2022 Audit Plan	Budget	Percent of Total	General Objective/Description
Advisory and Consulting Engagements			
IT Consulting - Orphan Cloud Data	375		Review current Microsoft 365 cloud data processes/controls and make recommendations on how reduce the risk of data without an active owner going undetected.
IT Consulting - Security Assessment Working Group	300		Provide advisory services by serving on the Security Assessment Working Group, which will assist the University with preparation for implementation of cybersecurity federal requirements.
IT Consulting - Decentralized Systems Phase II	375		Work with the Information Security Office on identifying trigger points to monitor new decentralized systems that have not been backed-up centrally, as required by the University.
Participant Support	350		Provide advisory services to ensure participant support costs and any cost transfers, if applicable, are in compliance with Uniform Guidance.
Student Health Center	250		Document all services provided by Student Health Center and compare operations to services provided by other UT Institutions.
Cash Fund Operations	150		Verification of PeopleSoft balances, actual cash, and bank balances.
IT Consulting/Management Requests	400		IT consulting project(s), as requested, to address critical risks as a result of the system outage.
Consulting/Management Requests	462		As requested.
Continuous Auditing Peoplesoft Queries	125		Recurring management request.
Risk Assessment Training provided by Internal Audit to institutional departments, employees, etc.	75		Provide live and recorded trainings to management regarding the campus wide risk assessment process.
PeopleSoft Consulting	50		Participation in UT Share meetings.
Participation in Institutional Committees/Council, etc.	60		Participation in meetings for Endowment Compliance Committee, Institutional Compliance Committee and Administrative Council meetings. Serve as a member of the Accounting and Information Systems Advisory Council.
Carryforward Advisory and Consulting Engagements			
College of Health Science Affiliation Agreements	100		Determine whether the College of Health Sciences affiliation agreements are properly approved and monitored.
Advisory and Consulting Engagements Subtotal	3072	30.9%	
Required Engagements			
Benefits Proportionality FY 2020 and FY 2021	350		Required by statute to ensure the accuracy of benefits funding proportionality reported to the State for 2020-2021.
Purchasing Compliance	20		Required annual audit.
NCAA Agreed Upon Procedures Audit	150		Required annual audit; support for UT System Audit Office.
FY 2021 Financial Statement Audit (Final)	8		Required annual audit.
FY 2022 Financial Statement Audit (Interim)	8		Required annual audit.
Federal Portion of Statewide Single Audit	20		Provide assistance to the State Auditor's Office for Student Financial Assistance and Schedule of Expenditures of Federal Awards audits.
KTEP FM Radio Station	10		Support to external auditor.
Required Engagements Subtotal	566	5.7%	

Exhibit A-3. FY 2022 Annual Audit Plan – Investigations, Reserve and Follow-Up

FY 2022 Audit Plan	Budget	Percent of Total	General Objective/Description
Investigations			
Investigations	320		As requested.
Investigations Subtotal	320	3.2%	
Reserve			
Reserve for Audit of Emerging Risks	150		As requested.
Reserve Subtotal	150	1.5%	
Follow-Up			
Follow-up Audits	400		Follow-up on previous audit recommendations as required by IIA Standards; approximately 3-4 done per quarter.
Follow-Up Subtotal	400	4.0%	

Exhibit A-4. FY 2022 Annual Audit Plan – Development – Operations and Development – Initiatives and Education

FY 2022 Audit Plan	Budget	Percent of Total	General Objective/Description
Development - Operations			
Internal Quality Assurance and Improvement Program activities	175		As requested.
Annual Audit Plan Development, including Risk Assessment	350		Preparation of FY 2023 Risk Assessment and Audit Plan.
UT System, SAO, etc. reporting/requests; External Audit assistance	100		Responses for requests for information.
Software, website development/maintenance	100		Non-project related development/maintenance and data analytics.
Internal Audit Committee preparation/participation	225		Preparation of presentation documents for Institutional Audit Committee meetings; meetings with external audit committee members.
Staff meetings related to the management of the audit activity	350		Monthly staff meetings, weekly supervisor meetings and status update meetings as needed.
Annual Internal Audit Report	100		Preparation of Annual Internal Audit Report for FY 21.
Annual Reviews/Evaluations	100		Preparation of Self-Appraisals and Evaluations.
Management of Audit Team	200		Direct CAE responsibilities not directly attributable to a specific audit project.
Development - Operations Subtotal	1700	17.1%	
Development - Initiatives and Education			
Work Group Initiatives	150		Participation in UT System Audit initiatives.
Professional organization/association participation	200		Participation as members and board members of IIA and ACFE.
Individual Continuing Professional Development (CPE) Training	575		Continuing Professional Development for Staff Members
Non-CPE Training	80		Non-credit campus trainings
IAEP Student Program	100		Advance program to achieve goal of comprehensive level recognition.
Development - Initiatives and Education Subtotal	1105	11.1%	
Total Budgeted Hours	9938	100.0%	

Exhibit A-5. FY 2022 Annual Audit Plan – Allocation of Hours

FY 2022 Audit Plan	Budget	Percent of Total
Assurance Engagements Subtotal	2,625	26.5%
Advisory and Consulting Engagements Subtotal	3,072	30.9%
Required Engagements Subtotal	566	5.7%
Investigations Subtotal	320	3.2%
Reserve Subtotal	150	1.5%
Follow-Up Subtotal	400	4.0%
Development - Operations Subtotal	1,700	17.1%
Development - Initiatives and Education Subtotal	1,105	11.1%
Total Budgeted Hours	9,938	100.0%

II.a. Revised Fiscal Year 2022 Audit Plan

Project Name	Revised Budget	Actual Hours	Total Variance	Status of Plan at 8/31/22
Assurance Engagements				
Administrative Access to User Computers	375	363	12	Completed
Decentralized IT Asset Purchases Audit	300	42	258	Carry Forward Hours to FY 23
Emergency Management Plan	350	100	250	Postponed
Higher Education Emergency Relief Fund II and III	200	32	168	Carry Forward Hours to FY 23
Multi-Factor Authentication Audit	375	276	99	Completed
UTS 142.1 Monitoring Plan	175	204	(29)	Completed
Endpoint Detection and Response Solution–Deployment Administration	375	355	20	Completed
Student Fees	400	223	177	Carry Forward Hours to FY 23
Carry Forward Audits				
Reporting of Foreign Gifts & Contracts	350	305	45	Completed
CARES Act Institutional Expenditures	100	75	25	Completed
Assurance Engagements Subtotal	3000	1,975	1,025	
Advisory and Consulting Engagements				
Cash Fund Operations	150	109	41	Completed
Consulting/Management Requests	522	247	275	As Requested
Continuous Auditing Peoplesoft Queries	125	17	108	
IT Consulting-IR Use and Security Policy Review	375	160	215	Completed
IT Consulting-Security Assessment Working Group	300	21	279	Ongoing
IT Consulting/Management Requests	25	102	(77)	As Requested
Participant Support Consulting	350	303	47	Completed
Participation in Institutional Committees/Council, etc.	60	89	(29)	
PeopleSoft Consulting	50	30	20	As Requested
Risk Assessment Training provided by Internal Audit to institutional departments, employees, etc.	75	27	48	As Requested
Student Health Center	250	275	(25)	Completed
IT Consulting-Data Backup and Recovery Solution	375	264	111	Completed
Agreement Process Improvement Team	40	25	15	
Advisory and Consulting Engagements Subtotal	2,697	1,669	1,028	

Project Name	Revised Budget	Actual Hours	Total Variance	Status of Plan at 8/31/22
Required Engagements				
Benefits Proportionality FY 2020 and FY 2021	350	334	16	Completed
Federal Portion of Statewide Single Audit	20	0	20	Client Assist Duties
FY 2021 Financial Statement Audit (Final)	8	3	5	Results included in FY 21 UT System-wide report
FY 2022 Financial Statement Audit (Interim)	8	0	8	Results to be included in FY 22 UT System-wide report
KTEP FM Radio Station	10	4	6	Client Assist Duties
NCAA Agreed Upon Procedures Audit	150	77	73	Report issued by UT System Audit Office
Purchasing Compliance	20	13	7	Completed
Required Engagements Subtotal	566	431	135	
Investigations				
Investigations	320	247	73	As Requested
Investigations Subtotal	320	247	73	
Reserve				
Reserve for Audit of Emerging Risks	150	0	150	
Reserve Subtotal	150	0	150	
Follow-up Audits				
Follow-up Audits	400	425	(25)	18 Follow-up projects completed during FY 22.
Follow-up Subtotal	400	425	(25)	
Development - Operations				
Annual Audit Plan Development, including Risk Assessment	350	264	86	
Annual Internal Audit Report	100	40	60	
Annual Reviews/Evaluations	100	33	67	
Internal Audit Committee preparation/participation	225	196	29	
Internal Quality Assurance and Improvement Program activities	175	40	135	
Management of Audit Team	200	45	155	
Software, website development/maintenance	100	88	12	
Staff meetings related to the management of the audit activity	350	476	(126)	
UT System, SAO, etc. reporting/requests; External Audit assist	100	119	(19)	
Development Operations - Subtotal	1,700	1,301	399	

Project Name	Revised Budget	Actual Hours	Total Variance	Status of Plan at 8/31/22
Development - Initiatives and Education				
CPE Training (Individual Continuing Professional Development)	575	398	177	
Non-CPE Training (non-certificate training)	80	344	(264)	
IAEP Student Program	100	74	26	
Professional organization/association participation	200	59	141	
Work Group Initiatives	150	36	114	
Development Operations - Subtotal	1,105	911	194	
Total	9,938	6,959	2,979	

II.b. Summary of Changes - Fiscal Year 2022 Audit Plan

#	Removal of Projects from Fiscal Year 2022 Plan:	Hours
1	Controlled Unclassified Information (CUI)	(400)
2	IT Consulting - Orphan Cloud Data	(375)
3	Critical Data Backups Audit	(375)
4	IT Consulting - Decentralized Systems Phase II	(375)
5	College of Health Science Affiliation Agreements	(100)
	Subtotal	(1625)
#	Added Projects:	Hours
1	Fees Audit	400
2	Administrative Access to User Computers	375
3	Endpoint Detection and Response Solution - Deployment Administration	375
4	IT Consulting - IR Use and Security Policy Review	375
5	IT Consulting-Data Backup and Recovery Solution	375
6	Agreement Process Improvement Team	40
	Subtotal	1940
#	Reclassification of FY 2022 Project Hours:	Hours
1	Consulting/Management Requests	60
2	IT Consulting/Management Requests	(375)
	Subtotal	(315)
	Cumulative Change	0

II.c. Benefits Proportionality – Audit Requirements for Higher Education Institutions

According to Rider 8, page III-46, the General Appropriations Act (87th Legislature, Conference Committee Report), each institution of higher education, excluding public community/junior colleges, shall conduct an internal audit of benefits proportionality by method of finance and submit a copy of the internal audit to the Legislative Budget Board, Comptroller of Public Accounts, and State Auditor's Office (SAO) no later than August 31, 2022. The audits must examine Fiscal Years 2019 through 2021 and must be conducted using a methodology approved by the SAO.

An audit of the proportionality of higher education benefits process for Fiscal Year 2019 was completed in 2020. Audits of 2020 and 2021 were completed in 2022 and a separate report was submitted to the agencies listed above outlining the results. As advised by the SAO, we have kept unreserved hours available in our Fiscal Year 2023 Annual Audit Plan if a Fiscal Year 2022 audit is required.

II.d. Compliance with Texas Education Code Section 51.9337(h)

Effective September 1, 2015, TEC §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.”*

TEC 51.9337(h) was added to the Texas Education Code by the 84th Legislature, effective 9/1/2015, and was not changed in the subsequent 85th, 86th, and 87th legislative sessions.

The Office of Auditing and Consulting Services conducted this required assessment for Fiscal Year 2022, and found the following:

Based on review of current institutional policy and the UT System Board of Regents’ *Rules and Regulations*, The University of Texas at El Paso has generally adopted all of the rules and policies required by TEC §51.9337(h). Review and revision of institutional and System policy is an ongoing process. These rules and policies will continue to be assessed annually to ensure continued compliance with TEC 51.9337(h).

Texas Government Code Section 2261.258 requires the State Auditor’s Office to assign contract monitoring ratings each fiscal year for the 25 largest state agencies as identified by the Legislative Budget Board. Although we are not part of the 25, we considered contract processes, controls, and monitoring in our risk assessment process for the Fiscal Year 2022 Audit Plan.

Rule and Policy Requirements:

Requirement	In place?		Rule/Policy Reference / Comments
	Yes	No	
§51.9337(b) – The Board of Regents is responsible for establishing the following policies and practices for "each institution under the management and control of the board": (1) A code of ethics for the institution's officers and employees, including provisions governing officers and employees authorized to execute contracts for the institution or to exercise discretion in awarding contracts, subject to Subsection (c);	Yes		Support for §51.9337(b): 1. UTS134: Sect 3, Code of Ethics for Financial Officers and Employees. Last revised: 5/10/2018 2. UTEP Standards of Conduct Guide, page 6. Last Revised: 8/2020 3. UTEP Purchasing Dept. OP, Section 1: Ethics Policy (pages 7-9). Last Revised: 7/2020
2) Policies for the internal investigation of suspected defalcation, misappropriation, and other fiscal irregularities and an institutional or systemwide compliance program designed to promote ethical behavior and ensure compliance with all applicable policies, laws, and rules governing higher education, including research and health care to the extent applicable;	Yes		1. Regents' <i>Rules and Regulations</i> , Rule 20401: Audit and Compliance Program. Last Revised: 2/24/2022 2. UTS119: Institutional Compliance Program Sec. 6, Systemwide Compliance Committee. Last Revised: 4/7/2020 3. UTS 118 Fraudulent or Dishonest Activities. Last Revised: 10/29/2021 4. UTEP HOP, Section VII, CH2: Fraudulent or Dishonest Activities. Last Revised: 5/7/2021 5. UTEP HOP, Section I, CH2: Governance of the University. Last Revised: 10/15/2020 6. UTEP Standards of Conduct Guide, page 10. Last Revised: 8/2020 7. UTEP Purchasing Dept. OP, Section 1: Ethics (pages 7-9).
3) A contract management handbook that provides consistent contracting policies and practices and contract review procedures, including a risk analysis procedure, subject to Subsection (d);	Yes		1. UTEP Purchasing Department Operating Procedures Manual. Section 20 Procurement Overview (pages 41-42). Last Revised: 7/2020
4) Contracting delegation guidelines, subject to Subsections (e) and (f);	Yes		1. UTEP Purchasing Dept. OP, Section 3: Delegated Authority (pages 13-15). Last Revised: 7/2020
5) Training for officers and employees authorized to execute contracts for the institution or to exercise discretion in	Yes		1. UTS156: Purchaser Training and Certification, Sec. 5 Core Training Curriculum.

Requirement	In place?		Rule/Policy Reference / Comments
	Yes	No	
awarding contracts, including training in ethics, selection of appropriate procurement methods, and information resources purchasing technologies; and			Last Revised: 1/7/2019 2. UTEP Purchasing Dept. OP, Section 2: Training & certification program (pages 10-11). Last Revised: 7/2020 The certifications are reviewed in w/p B.1.38
6) Internal audit protocols, subject to Subsection (g). "Protocol" in this context refers to official procedures or rules governing the internal audit activity.	Yes		1. UTS129: Internal Audit Activities. Last Revised: 10/12/2021 2. UTEP HOP, Section VII, CH1: Audit and Consulting Services. Last Revised: 5/13/2022
§51.9337(c) – The code of ethics governing an institution of higher education must include: 1) General standards of conduct and a statement that each officer or employee is expected to obey all federal, state, and local laws and is subject to disciplinary action for a violation of those laws;	Yes		1. Regents' <i>Rules and Regulations</i> , Rule 10901: Statement of UT System Values and Expectations, Sec. 2 Compliance with Laws and Policy. Last Revised: 5/14/2015 2. Regents' <i>Rules and Regulations</i> , Rule 30103: Standards of Conduct, Sec. 1 Statutory Compliance. Last Revised: 9/25/2018 3. UTS134: Code of Ethics for Financial Officers and Employees. Last Revised: 5/10/2018 4. UTEP Standards of Conduct Guide, page 6 Last Revised: 8/2020
2) Policies governing conflicts of interest, conflicts o, and outside activities, ensuring that the primary responsibility of officers and employees is to accomplish the duties and responsibilities assigned to that position;	Yes		1. Regents' <i>Rules and Regulations</i> , Rule 30104: Conflict of Interest, Conflict of Commitment, and Outside Activities, Sec. 6 Unmanaged Conflicts of Interest Prohibited. Last Revised: 8/20/2020 2. UTS180: Conflicts of Interest, Conflicts of Commitment, and Outside Activities Section 6. Last Revised: 2/8/2021 3. Regents' <i>Rules and Regulations</i> , Rule 10901: Statement of UT System Values and Expectations, Sec. 2 Compliance with Laws and Policy Last Revised: 5/14/2015 4. Regents' <i>Rules and Regulations</i> , Rule 30103: Standards of Conduct, Sec. 1 Statutory Compliance. Last Revised: 9/25/2018

Requirement	In place?		Rule/Policy Reference / Comments
	Yes	No	
			<p>5. UTS134: Code of Ethics for Financial Officers and Employees. Last Revised: 5/10/2018</p> <p>6. UTEP Standards of Conduct Guide, page 19. Last Revised: 8/2020</p> <p>7. UTEP HOP, Section V, CH29: Conflicts of Interest, Conflicts of Commitment, and Outside Activities. Last Revised: 2/1/2021</p>
3) A conflict of interest policy that prohibits employees from having a direct or indirect financial or other interest, engaging in a business transaction or professional activity, or incurring any obligation that is in substantial conflict with the proper discharge of the employee's duties related to the public interest;	Yes		<p>1. Regents' Rules and Regulations, Rule 30104: Conflict of Interest, Conflict of Commitment, and Outside Activities, Sec.1 Primary Responsibility. Last Revised: 8/20/2020</p> <p>2. UTS180: Conflicts of Interest, Conflicts of Commitment, and Outside Activities, Sec. 4 Primary Responsibilities. Last Revised: 2/8/2021</p> <p>3. UTEP HOP, Section V, CH4: Outside Activity and/or Employment, Board Service, and Dual Employment. Last Revised: 1/28/2014</p> <p>4. UTEP HOP, Section V, CH29: Conflicts of Interest, Conflicts of Commitment, and Outside Activities. Last Revised: 2/1/2021</p>
4) A conflict of commitment policy that prohibits an employee's activities outside the institution from interfering with the employee's duties and responsibilities to the institution;	Yes		<p>1. Regents' Rules and Regulations, Rule 30104: Conflict of Interest, Conflict of Commitment, and Outside Activities, Sec. 3 Unmanaged Conflicts of Interest Prohibited. Last Revised: 8/20/2020</p> <p>2. UTS180: Conflicts of Interest, Conflicts of Commitment, and Outside Activities, Sec. 6: Unmanaged Conflicts of Interest and Conflicts of Commitment Prohibited. Last Revised: 2/8/2021</p> <p>3. UTEP HOP, Section V, CH29: Conflicts of Interest, Conflicts of Commitment, and Outside Activities, 29.4 Conflicts of Interest and Conflicts of Commitment Prohibited. Last Revised: 2/1/2021</p>

Requirement	In place?		Rule/Policy Reference / Comments
	Yes	No	
5) A policy governing an officer's or employee's outside activities, including compensated employment and board service, that clearly delineates the nature and amount of permissible outside activities and that includes processes for disclosing the outside activities and for obtaining and documenting institutional approval to perform the activities;	Yes		<ol style="list-style-type: none"> 1. Regents' <i>Rules and Regulations</i>, Rule 30104: Conflict of Interest, Conflict of Commitment, and Outside Activities, Sec. 6 Approval and Disclosure Requirements. Last Revised: 8/20/2020 2. UTS180: Conflicts of Interest, Conflicts of Commitment, and Outside Activities, Sec. 7 Policy on Outside Activities Required. Last Revised: 2/8/2021 3. UTS180: Conflicts of Interest, Conflicts of Commitment, and Outside Activities, Sec.10. Additional Process Requirements. Last Revised: 2/8/2021 4. UTEP HOP, Section V, CH29: Conflicts of Interest, Conflicts of Commitment, and Outside Activities, 29.5 Approval for outside activities required, 29.7 Disclosure of Outside Activities and Interests. Last Revised: 2/1/2021 5. UTEP HOP, Section V, CH29: Conflicts of Interest, Conflicts of Commitment, and Outside Activities, 29.6 Outside Activity Guidelines. Last Revised: 2/1/2021
6) A policy that prohibits an officer or employee from acting as an agent for another person in the negotiation of the terms of an agreement relating to the provision of money, services, or property to the institution;	Yes		<ol style="list-style-type: none"> 1. Regents' <i>Rules and Regulations</i>, Rule 60306: Use of University Resources, Sec. 2 No Service as an Agent. Last Revised: 12/22/2011 2. UTS180: Conflicts of Interest, Conflicts of Commitment, and Outside Activities, Sec. 6 Unmanaged Conflicts of Interest and Conflicts of Commitment Prohibited Last Revised: 2/8/2021 3. UTEP HOP, Section V, CH29: Conflicts of Interest, Conflicts of Commitment, and Outside Activities. Un-Managed Conflicts of Interest and Conflicts of Commitment Prohibited Last Revised: 2/1/2021
7) A policy governing the use of institutional resources; and	Yes		<ol style="list-style-type: none"> 1. Regents' <i>Rules and Regulations</i>, Rule 30104: Conflict of Interest, Conflict of Commitment, and Outside Activities, Sec. 9 Use of University Property. Last Revised: 8/20/2020

Requirement	In place?		Rule/Policy Reference / Comments
	Yes	No	
			2. Regents' Rules and Regulations, Rule 60306: Use of University Resources, Sec. 3 Compensation for Resources Used. Last Revised: 12/22/2011 3. UTEP HOP Section 7 Chapter 3 University-Owned Property and Equipment Section 3.1 Standard of Care. Last Revised: 10/12/2015 4. UTEP Standards of Conduct Guide, Use of UT and State of Texas Resources page 21. Last Revised: 8/2020
8) A policy providing for the regular training of officers and employees on the policies described by this Subsection.	Yes		1. UTS189: Institutional Conflicts of Interest, Section 10 Education and Training Last Revised: 5/3/2019 2. UTEP Standards of Conduct Guide, Institutional Compliance Program, Training page 5. Last Revised: 8/2020
§51.9337(d) – An institution of higher education shall establish contract review procedures and a contract review checklist that must be reviewed and approved by the institution's legal counsel before implementation. The review procedures and checklist must include:	Yes		1. Regents' <i>Rules and Regulations</i> , Rule 20901: Procurement of Goods and Services; Contract Management Handbook. Last Revised: 2/9/2017 2. UTEP Purchasing Dept. OP, Section 21: Contract Administration for Formal Contracts (pages 43-44). Last Revised: 7/2020
1) A description of each step of the procedure that an institution must use to evaluate and process contracts;	Yes		1. UTS145 Processing of Contracts, Sec. 4 Contract Processing Procedures. Last Revised: 8/19/2020 2. UTEP Purchasing Dept. OP, Section 20: Formal Contract Establishment (pages 41-42). Last Revised: 7/2020 3. UTEP Purchasing Dept. OP, Section 21: Contract Administration for Formal Contracts (pages 43-44). Last Revised: 7/2020
2) A checklist that describes each process that must be completed before contract execution; and	Yes		1. UTS145 Processing of Contracts, Sec. 4 Contract Processing Procedures Step 2. Last Revised: 8/19/2020 2. UT System Office of General Counsel General Procedure Contract Checklist. Last Revised: 3/10/2022

Requirement	In place?		Rule/Policy Reference / Comments
	Yes	No	
			3. UTEP Purchasing Dept. OP, Section 21: Contract Administration for Formal Contracts (pages 43-44) "Contract Administration: Review for Signature Form" Last Revised: 7/2020
3) A value threshold that initiates the required review by the institution's legal counsel unless the contract is a standard contract previously approved by the counsel.	Yes		1. UTS145 Processing of Contracts, Sec. 4 Contract Processing Procedures, Step 4 Determine Value of Contract. Last Revised: 8/19/2020 2. UTEP Purchasing Dept. OP, Section 3: Delegated Authority, UT Systems Rules and Regulations (pages 13-15). Last Revised: 7/2020
§51.9337(e) – An institution of higher education's policies governing contracting authority must clearly specify the types and values of contracts that must be approved by the board of regents and the types and values of contracts for which contracting authority is delegated by the board to the chief executive officer and by the chief executive officer to other officers and employees of the institution. An officer or employee may not execute a document for the board unless the officer or employee has authority to act for the board and the authority is exercised in compliance with applicable conditions and restrictions.	Yes		1. Regents' <i>Rules and Regulations</i> , Rule 10501: Delegation to Act on Behalf of the Board Sec.1.1 Identification of Significant Contracts or Documents. Last Revised: 2/24/2022 2. UTS145: Processing of Contracts: Sec. 4, Step 4 Determine Value of Contract Last Revised: 8/19/2020 3. UTS Summary of Contracts Requiring Board Approval. Last Revised: 11/29/2017 4. UTEP Purchasing Dept. OP, Section 3: Delegated Authority (pages 13-15). Last Revised: 7/2020
§51.9337(f) – An institution of higher education may not enter into a contract with a value of more than \$1 million, including any amendment, extension, or renewal of the contract that increases the value of the original contract to more than \$1 million, unless the institution's board of regents approves the contract, expressly delegates authority to exceed that amount, or expressly adopts an exception for that contract. The board must approve any amendment, extension, or renewal of a contract with a value that exceeds 25 percent of the value of the original contract approved by the board unless the authority to exceed the approved amount is expressly delegated by the board or an exception is expressly adopted by the board for that contract.	Yes		1. Regents' <i>Rules and Regulations</i> , Rule 10501: Delegation to Act on Behalf of the Board, Sec. 3 Matters Not Delegated, 3.1.1 Contracts Exceeding \$1 Million. Last Revised: 2/24/2022 2. UT System Contract Management Handbook. Last Revised: 11/3/2021 3. UTEP Purchasing Dept. OP, Section 3: Delegated Authority, UT Systems Rules and Regulations (pages 13-15). Last Revised: 7/2020

Requirement	In place?		Rule/Policy Reference / Comments
	Yes	No	
§51.9337(g) – The board of regents of an institution of higher education shall adopt standards for internal audits conducted by the institution to provide a systematic, disciplined approach to evaluate and improve the effectiveness of the institution's risk management, control, and governance processes related to contracts and to require risk-based testing of contract administration. The internal auditor must have full and unrestricted access to all institutional property, personnel, and records. An internal auditor must report directly to the board of regents in accordance with Chapter 2102, Government Code.	Yes		1. Regents' <i>Rules and Regulations</i> , Rule 20401: Audit and Compliance Program 1.2 (a) Systemwide internal audit plan based on a comprehensive risk assessment. 1.2 (c) Standards and methodology to be followed by all UT System internal auditors. Last Revised: 2/24/2022 2. UTS129: Internal Audit Activities, Sec. 1 Internal Auditing Program. Last Revised: 10/12/2021 3. Systemwide Audit Procedure: Risk Assessment (<i>reviewed and updated annually</i>). 4. UTEP HOP, Section VII, CH1: Audit and Consulting Services. 1.4 Responsibility 1.5 Authority 1.6 Standards of Audit Practice Last Revised: 5/13/2022
§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. In auditing the purchase of goods and services by the institution, the state auditor shall determine whether an institution has adopted the required rules and policies.	Yes		As documented herein. Certification statement to be included in the Annual Audit Report to the State Auditor's Office required under Texas Government Code §2102.

III. Services and Non-Audit Services Completed

Report Number and Name	Report Date	Objectives	Recommendation(s)/Procedures	Management Responses / Action Plan
Continuous Auditing: Duplicate Payments (ongoing project)	N/A	We use data analytics tools to identify potential duplicate payments for employee reimbursements. We analyze and report to Financial Services for follow-up.	We issue a quarterly report with all verified duplicate payments.	Accounts Payable requests immediate reimbursement for all verified duplicate payments.
#22-303 - Information Resources Use and Security Policy Review	8/29/22	The objective of this consulting engagement was to review the current University of Texas at El Paso Information Resources Use and Security Policy (Security Policy) and provide recommendations to address recent updates made to State and UT System regulations and policies, respectively.	The Office of Auditing and Consulting Services (OACS) compared the current UTEP Security Policy against the updated versions of UTS 165 and TAC 202. Recommendations and comments were provided to address gaps identified between documents. Aside from the comparison, we also reviewed the UTEP Policy for updates needed to properly reflect current controls, processes, and/or responsibilities unique to the UTEP environment.	Management was pleased with the results.
#22-311 - Student Health and Wellness Center (SHWC)	8/25/22	The objective was to document all services provided by SHWC and compare to those provided by comparable University of Texas (UT) and local institutions.	<ol style="list-style-type: none"> (1) Based on the review performed on comparable services, the following recommendations should be considered: <ul style="list-style-type: none"> • Expand no cost services • Offer students an after-hours care line. • Offer students virtual care options. (2) SHWC should develop a documented approval process for any adjustments/changes made to services available and base patient fees charged to students. (3) OACS recommends that administering an electronic survey may reach more students and increase student awareness of SHWC services. (4) OACS recommends the SHWC update and improve their website to ensure communication of valuable SHWC information to students. 	Management agreed with the recommendations presented in the report.

Report Number and Name	Report Date	Objectives	Recommendation(s)/Procedures	Management Responses / Action Plan
#22-300 - Cash Fund Operations	8/25/22	Our objective was to verify the existence and accuracy of the change fund balances recorded in PeopleSoft cost centers.	<ol style="list-style-type: none"> (1) Accounting and Financial Reporting should determine the cause of the overage in PeopleSoft and make adjusting entries as necessary. (2) Accounting and Financial Reporting should confirm at least once per year the need of a change fund and the amount necessary with the cash custodians across the University. 	Management agreed with the recommendations presented in the report.
#22-307 - Participant Support	5/18/22	The objective was to assist in determining if: <ul style="list-style-type: none"> • The current policies and procedures align with Title 2 Code of Federal Regulations §200.1 definition of participant support. • Participant support costs are in compliance with Title 2 Code of Federal Regulations §200.1. 	<ol style="list-style-type: none"> (1) Management should create a centralized tool, such as a form, for C&G staff processing stipends where they can identify all the compliance requirements and the requester (PI/Administrator) is able to provide the information necessary for approval and processing. The tool should include a step to determine current employment status at the University. (2) Current processing guidelines should be updated to reflect the true nature of participant support more accurately as well as research incentives. 	Management agreed with the recommendations presented in the report.
#22-312 - Data Backup and Recovery Consulting	4/14/22	The objective was to review current data backup and recovery processes/documentation during the implementation of Rubrik, the new backup solution, and provide recommendations for improvement.	The Office of Auditing and Consulting Services (OACS) provided Telecommunications Infrastructure (TI) backup and recovery-related (i) feedback obtained from other UT System institutions, (ii) a controls/procedures matrix, and (iii) recommendations for improving current documentation and procedures.	TI believed this engagement was productive and very beneficial in bringing backup and recovery information up to date.

IV. External Quality Assurance Review (Peer Review)

July 24, 2020

Lori Wertz, Chief Audit Executive
The University of Texas at El Paso

In July 2020, The University of Texas at El Paso (UT El Paso) internal audit (IA) function, the Office of Auditing and Consulting Services (OACS), completed a self-assessment of its 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 El Paso OACS engaged an independent review team consisting of internal audit professionals with extensive higher education experience to perform an independent validation of OACS' QAR self-assessment. The primary objective of the validation was to verify the assertions made in the QAR report concerning 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 El Paso 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 El Paso.

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

Very truly yours,

Baker Tilly Virchow Krause, LLP

Baker Tilly Virchow Krause, LLP, trading as Baker Tilly, is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity, and each describes itself as such. Baker Tilly Virchow Krause, LLP, is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Virchow Krause, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

V. Internal Audit Plan for Fiscal Year 2023

Exhibit A-1. FY 2023 Audit Plan - Assurance Engagements

FY 2023 Audit Plan	Budget	Percent of Total	General Objective/Description
Assurance Engagements			
Firewall Management	350		Evaluate the management of firewall systems to ensure rules, configurations, and monitoring elements are consistent with network security requirements which protect the organization from cybersecurity threats.
Endpoint Detection and Response – Servers	340		Determine if the EDR solution has been effectively deployed to current and new servers and monitoring processes are in place to detect and respond to potential malicious activity.
Backup and Recovery	340		Ensure the University's mission-critical data and servers are backed up, protected, tested, and there is enough storage capacity, as required by relevant TAC 202 controls.
Microsoft 365 Cloud Storage	340		Ensure Microsoft 365 cloud storage settings/configurations are generally consistent with processes/controls in place for on-premise data storage, including retention requirements.
Payroll Certification	350		Test the payroll certification process to confirm compliance with updated Uniform Guidance.
College of Liberal Arts	300		Document and test college operations for new dean.
UTS 142.1 Monitoring Plan	175		Annual audit of account reconciliation, certification, and segregation of duties based on risk.
Aerospace Center	350		Whether administrative and financial operations are performed in accordance with University policies and procedures and grant specifications.
Carry Forward Audits			
Decentralized IT Asset Purchases	200		Determine compliance with the University's IT asset purchasing guidelines to ensure purchases are compatible with the network, supported by Information Resources, and do not expose the University to weaknesses.
Higher Education Emergency Relief Fund II (HEERF II)	100		Evaluate and ensure appropriate and allowable costs are claimed to allow for maximum cost recovery.
Student Fees	200		To determine if the assessment, collection, allocation, and expenditure of student fees at the University of El Paso is performed in a control-conscious environment that promotes the frugal, cost recovery nature of the process, is in compliance with all applicable laws and regulations.
Assurance Engagements Subtotal	3045	42%	

Exhibit A-2. FY 2023 Audit Plan - Advisory and Consulting Engagements

FY 2023 Audit Plan	Budget	Percent of Total	General Objective/Description
Advisory and Consulting Engagements			
Cash Fund Operations	125		Verification of PeopleSoft balances, actual cash, and bank balances.
Consulting/Management Requests	150		As requested.
IT Consulting/Management Requests	150		IT consulting project(s), as requested, to address critical risks as a result of the system outage.
Continuous Auditing	50		Prepare quarterly summary reports on the status of high-risk issues
PeopleSoft Consulting	50		Participation in UT Share meetings.
Participation in Institutional Committees/Council, etc.	85		Participation in meetings for Endowment Compliance Committee, Institutional Compliance Committee and Administrative Council meetings. Serve as a member of the Accounting and Information Systems Advisory Council.
Security Assessment Working Group	50		Provide advisory services by serving on the Security Assessment Working Group, which will assist the University with preparation for implementation of cybersecurity federal requirements.
Advisory and Consulting Engagements Subtotal	660	9%	

Exhibit A-3. FY 2023 Audit Plan - Required Engagements

FY 2023 Audit Plan	Budget	Percent of Total	General Objective/Description
Required Engagements			
Purchasing Compliance (TEC §51.9337(h))	20		Required annual audit.
NCAA Football Attendance	75		Required annual audit.
THECB Facilities Audit	100		The objective is to determine if the Department of Facilities Management followed the Texas Higher Education Coordinating Board (THECB) rules and received approval where such approval was required for facilities projects, and that projects were completed within the parameters specified in the project application approved by the THECB.
FY 2022 Financial Statement Audit (Final)	8		Required annual audit.
FY 2023 Financial Statement Audit (Interim)	8		Required annual audit.
Federal Portion of Statewide Single Audit	10		Provide assistance to the State Auditor's Office for follow-up of Student Financial Assistance finding.
KTEP Radio Station Audit Assistance	10		Support to external auditor.
Required Engagements Subtotal	231	3%	

Exhibit A-4. FY 2023 Audit Plan- Investigations, Reserve and Follow-Up

FY 2023 Audit Plan	Budget	Percent of Total	General Objective/Description
Investigations			
Investigations	250		As requested.
Investigations Subtotal	250	3%	
Reserve			
Reserve for Audit of Emerging Risks	70		As requested.
Reserve Subtotal	70	1%	
Follow-up Audits			
Follow-up Audits	320		Follow-up on previous audit recommendations as required by IIA Standards; approximately 3-4 done per quarter.
Follow-Up Subtotal	320	5%	

Exhibit A-5. FY 2023 Audit Plan - Development-Operations

FY 2023 Audit Plan	Budget	Percent of Total	General Objective/Description
Development - Operations			
Self-Assessment/QAR	250		Texas Internal Audit Act required Audit
Internal Quality Assurance and Improvement Program activities	75		As needed.
Annual Audit Plan Development, including Risk Assessment	350		Preparation of FY 2024 Risk Assessment and Audit Plan.
UT System, SAO, etc. reporting/requests; External Audit assist	75		Responses for requests for information.
Software, website development/maintenance	100		Non-project related development/maintenance and data analytics.
Internal Audit Committee preparation/participation	225		Preparation of presentation documents for Institutional Audit Committee meetings; meetings with external audit committee members.
Staff meetings related to the management of the audit activity	350		Monthly staff meetings, weekly supervisor meetings and status update meetings as needed.
Annual Internal Audit Report	75		Preparation of Annual Internal Audit Report for FY 23.
Annual Reviews/Evaluations	100		Preparation of Self-Appraisals and Evaluations.
Development - Operations Subtotal	1600	22%	

Exhibit A-6. FY 2023 Audit Plan- Development-Initiatives and Education

FY 2023 Audit Plan	Budget	Percent of Total	General Objective/Description
Development - Operations Subtotal	1600	22%	
Development - Initiatives and Education			
Audit Software Implementation and Training	225		
Work Group Initiatives	50		
Professional organization/association participation	25		
Individual Continuing Professional Development (CPE) Training	480		
Non-CPE Training	200		
IAEP Student Program	100		
Development - Initiatives and Education Subtotal	1080	15%	
Total Budgeted Hours	7256	100%	

Exhibit A-7. FY 2023 Audit Plan- Allocation of Hours

FY 2023 Audit Plan	Budget	Percent of Total
Assurance Engagements Subtotal	3045	42%
Advisory and Consulting Engagements Subtotal	660	9%
Required Engagements Subtotal	231	3%
Investigations Subtotal	250	3%
Reserve Subtotal	70	1%
Follow-Up Subtotal	320	5%
Development - Operations Subtotal	1600	22%
Development - Initiatives and Education Subtotal	1080	15%
Total Budgeted Hours	7256	100%

V.a. High-Risk Audits not in Fiscal Year 2023 Audit Plan

	Risk Description	Impact	Probability	Mitigation
1	Athletics-Infractions	H	H	Compliance will create and monitor a Risk Management Plan in FY 2023.
2	Athletics-Extra Benefits	H	M	Compliance will create and monitor a Risk Management Plan in FY 2023.
3	Athletics-Recruiting	H	M	Compliance will create and monitor a Risk Management Plan in FY 2023.
4	BSL3 Oversight	H	M	Compliance will create and monitor a Risk Management Plan in FY 2023.
5	Controlled Unclassified Information	H	H	The Security Assessment Working Group will be addressing this as part of the preparation for implementation of cybersecurity federal requirements.
6	Student Health Center	H	M	A consulting engagement was performed in FY 2022.

VI. External Audit Services Procured in Fiscal Year 2022

1. Peña Briones McDaniel & Co., an El Paso firm, was engaged to perform the audit for Fiscal Year 2021 of the KTEP FM radio station located on The University of Texas at El Paso campus. The audit is required by The Corporation for Public Broadcasting to enable The University of Texas at El Paso to continue receiving grant funding from that organization.

VII. Reporting Suspected Fraud and Abuse

The General Appropriations Act, 87th Legislature:

Sec. 7.09. Fraud Reporting. *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 University of Texas at El Paso has independent organizations that implement the requirements of Section 7.09, page IX-37, Fraud Reporting, the General Appropriations Act (87th Legislature) and Section 7.09, page IX-38, the General Appropriations Act (87th Legislature) and Texas Government Code, Section 321.022. The Office of Auditing and Consulting Services and the Office of Institutional Compliance jointly and separately provide various monitoring and reporting activities to detect and prevent fraud and abuse.

- Actions were taken to implement the requirements of the following: The University has a direct link to the State Auditor's web page with instructions for reporting fraud, waste and abuse in Texas.
 - A Helpline website compliance module that may be accessed by all faculty, staff and student employees that outlines the process for reporting and provides information to access the State Auditor's Office fraud reporting website.
 - The University Handbook of Operating Procedures offers guidelines on the investigation of possible fraudulent activities.
- **Texas Government Code, Section 321.022.** There have been no instances in which there is cause to believe that money received from the state may have been lost, misappropriated or misused, or that other fraudulent or unlawful conduct has occurred. Therefore, no reporting to the State Auditor's Office was required.