

The University of Texas at El Paso  
Internal Audit Annual Report



Fiscal Year 2015

THE UNIVERSITY OF TEXAS AT EL PASO



Office of Auditing and  
Consulting Services

October 28, 2015

**TO:** Kara Belew, Governor's Office of Budget, Planning and Policy  
Ed Osner, Legislative Budget Board  
Internal Audit Coordinator, State Auditor's Office  
Ken Levine, Sunset Advisory Committee

**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 2015

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Attached please find the Fiscal Year 2015 Internal Audit Annual Report for the University of Texas at El Paso 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](mailto:lnwertz@utep.edu).

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Internal Audit Annual Report  
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**I. Compliance with House Bill 16 (Texas Government Code, Section 2102.015): Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit Information on Internet Web site**

Per House Bill 16 (83<sup>rd</sup> Legislature Regular Session), the following information will be posted on the Internet Web site of The University of Texas at El Paso's Office of Auditing and Consulting Services:

- The approved fiscal year 2016 Audit Plan, as provided by Texas Government Code, Section 2102.008, and
- The fiscal year 2015 Internal Audit Annual Report, as required by Texas Government Code, Section 2102.009.

## **II. Compliance with the Benefits Proportionality Audit Requirements for Higher Education Institutions**

Rider 8, page III-39, the General Appropriations Act (84th Legislature, Conference Committee Report), requires that higher education institutions conduct an internal audit during fiscal year 2016 of benefits proportional by fund, using a methodology prescribed by the State Auditor's Office. The rider requires that the audit examine appropriation years (AY) 2012 through 2014, and be completed no later than August 31, 2016. To comply with Rider 8, a benefits proportionality audit is included in the [institution] FY 2016 annual audit plan.

An internal audit of the proportionality of higher education benefits process was conducted during FY 2015 at the request of the Governor. The scope of the audit included benefits funding proportionality for appropriation year (AY) 2013. Audit procedures were consistent with the methodology prescribed by the State Auditor's Office to comply with Rider 8, and included review of source information obtained from the internal accounting system and the State's Uniform Statewide Accounting System (USAS), review of the benefits proportionality reporting process, validation of the accuracy of information and proportional funding calculations reported to the State Comptroller on the Benefits Proportionality by Fund Report (APS 011), and testing to verify eligibility of employee benefits paid with appropriated funds.

Because AY 2013 was included in the prior year audit, the benefits proportionality audit conducted during FY 2016 will include only AY 2012 and AY 2014. The results of the AY 2013 audit will be included in the resulting audit report, with a statement certifying that the procedures followed were consistent with the methodology prescribed by the State Auditor's Office.

# **THE UNIVERSITY OF TEXAS AT EL PASO**

## **Office of Auditing and Consulting Services**



### **2015 Audit Plan**

*Approved by Internal Audit  
Committee July 14, 2014*

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## **OVERVIEW**

In accordance with the Texas Internal Auditing Act (Article 6252-5d, Vernon's Texas Civil Statutes), The University of Texas System Administration Policy UTS129 – Internal Audit Activities, and The Institute of Internal Auditors' International Professional Practices Framework (IPPF) *Performance Standard 2010 Planning and 2210 – Planning Considerations*, we have prepared an audit plan for fiscal year 2015. The 2015 Audit Plan is a description of the internal audit activities that will be performed by the Office of Auditing and Consulting Services in fiscal year 2015.

The process of preparing the 2015 Audit Plan included identifying those areas that are considered the most important and ensuring that activities with the greatest risk are audited. The Internal Audit Committee reviewed and approved the 2015 Audit Plan. Members of the Internal Audit Committee provided input, as did Deans and Department Directors/Chairs, where appropriate. The Internal Audit Committee is comprised of the following members:

- Mr. David Lindau, External Member and Chair of the Internal Audit Committee
- Ms. Carolyn Mora, External Member
- Mr. Steele Jones III, External Member
- Dr. Diana Natalicio, President
- Dr. Junius Gonzales, Provost, Vice President for Academic Affairs
- Ms. Cynthia Villa, Vice President for Business Affairs
- Dr. Stephen Riter, Vice President for Information Resources and Planning
- Dr. Roberto Osegueda, Vice President for Research
- Mr. Richard Aauto III, Executive Vice President

Input was also received from; Mr. Jerry Cochrane, Chief Information Security Officer; Mr. Roger Brown, Director Human Resource Services; Ms. Sandra Vasquez, Assistant Vice President Equal Opportunity; Dr. Douglas Watts, Executive Director Animal Care Center; Mr. Juan Gonzales, Director Student Business Services; Ms. Tessy Rappe, Director of Finance; Dr. Victor Pacheco, Assistant Vice President for Business Affairs; Dr. Michael Smith, Vice Provost; Mr. Robert Moss, Assistant Vice President Environmental Health and Safety. The Internal Audit Committee members, these individuals, and selected members of their staffs, provided information relative to their specific areas of responsibility, plus insight into other areas in which they interacted, had knowledge and/or opinions.

## **IDENTIFICATION OF THE AUDIT UNIVERSE AND RISK ASSESSMENT**

The Institute of Internal Auditors' International Professional Practices Framework (IPPF) requires that internal auditors develop an audit plan based on the assignment of risk to the audit universe. The audit universe is a subjective assessment of auditable areas at the University of Texas at El Paso (UTEP). To identify the audit universe, we reviewed prior audit plans, the annual financial report (AFR), the budget; various risk assessments, and a five-year history of audit activity (Appendix H). The audit plan was broken down into seven major categories and sub categories (Appendix A):



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1. Financial
2. Operational
3. Compliance
4. Information Technology
5. Follow-up Audits
6. Projects
7. Reserve

Consideration of the following was given in developing the 2015 Audit Plan:

- Management input
- Various risk assessments
- Economical and efficient use of internal audit resources
- Required activities (i.e., KTEP FM Radio audit, Annual Financial Reporting, NCAA Compliance, etc.)
- Requirements of the following action plans:
  - *1994 Action Plan to Enhance Internal Controls through Awareness, Accountability, and Audit Committees*
  - *1996 Action Plan to Enhance Internal Controls*
  - *1998 and 2003 Action Plans to Enhance Institutional Compliance*

In the development of the 2015 Annual Audit Plan, the Assurance Continuum Enterprise Risk Management Model (ERM) was used as the risk assessment methodology. The ERM risk assessment methodology was used in planning for audits in the Risk Based: Tier One: Institutional Processes and Risk Based: Tier Two: Auditable Areas categories.

The following describes our planning process to prepare the 2015 Audit Plan.

### ***RISK ASSESSMENT METHODOLOGY***

A Tier One (Institution-wide Risk Assessment) was performed using the following Processes (Auditable Units) applicable to academic institutions: The sub-processes included in each process are identified in *Appendix A*.

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## ACADEMIC INSTITUTION PROCESSES

1. Governance
2. Finance
3. Information Technology
4. Research
5. Human Resources
6. Facilities Management
7. Property Management
8. Supply Chain
9. Legal
10. Risk Management
11. Public Service
12. Admissions
13. Student Services
14. Academic Support
15. Instruction
16. Colleges
17. Athletics
18. University Relations
19. University Development
20. Auxiliary Services

The vertical axis of each Tier Two risk assessment includes the sub-processes listed in *Exhibit A*.

The Tier One and Tier Two risk assessments were performed using the ERM model, and for each a Risk Footprint was developed. The vertical axis of the Tier One footprint is the applicable business processes from the list above. The horizontal axis is the business risk identified and ranked for each process. All identified business risk for a process included financial, compliance and operational.

## 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:

- **HIGH** – The effect will cause the component not to achieve its goals and objectives: it is a “show stopper”
- **MEDIUM** – The effect will cause the institution to operate inefficiently and/or expend 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

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- Societal/Environmental
- Monetary(financial, economic or casualty)
- Business/Operations
- Information Technology (and security)
- Public Relations
- Reporting and Disclosure
- Strategic
- Compliance

**PROBABILITY** The probability that a risk will become reality also has three values:

- **HIGH** – An event is inevitable, or there is a great likelihood that an event will occur.
- **MEDIUM** – The risk is neither extremely likely nor highly unlikely. 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.

Past experience within the institution and within higher education was used in deciding probability. Probability is assessed as if only Level 1 Controls (those in place or exercised at execution) exist.

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.
- Known Weakness in Control Activities
- Policies and Procedures in Need of Update
- Complexity of Unit or Process
- Training

### ***ANNUAL AUDIT PLAN***

The risk footprints were converted to the final product in the following manner:

- The **Tier One Risk Footprint** processes that did not have a Tier Two Risk Footprint were included in the Annual Audit Plan based upon the number of critical risks each contained. The sub-processes within each process which contained the identified critical risks are included in the audit plan.
- The **Tier Two Risk Footprints** are included in this area regardless of their position on the Tier One (Institution-wide) risk footprint. The sub-processes to be audited are those from each Tier Two risk footprint that have the highest ranked risk or the largest number of critical risks.

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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. Implementation dates of audit report recommendations are monitored and following those dates, the status of audit recommendations are determined and reported to management.

Change-in-Management Audits

The auditable universe was developed through inquiries with college deans, directors and vice-presidents. The goal of performing change-in-management audits is to provide a consulting service to new managers by reviewing existing internal controls and providing the information necessary for the development of an adequate internal control system, which will provide reasonable assurance of sound management. Selected colleges/departments with new Deans/Directors will be audited. Since most of the work is done on an as-requested basis, a risk assessment was not performed and audits are determined as management changes occur throughout the fiscal year.

Projects

The goal of performing special projects is to provide management with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed. Included in this category of audits are, internal and external quality assurance reviews, UT System requests and special requests and investigations. Much of the work is either done as mandated or on an as-requested basis; therefore, a risk assessment was not performed.

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 from past experience will 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.

Carry forward Audits

Carry forward audits are those 2013-2014 Annual Audit Plan audits that are in progress at August 31, 2014.

2015 Risk Assessments

Process Risk assessments are located in *Appendices B through D*.

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### **SCOPE OF AUDITS**

The International Professional Practices Framework (IFPP) 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 2015 Annual Audit Plan is described in *Appendix A*.

### **BUDGET AND STAFFING**

The budget for the Office of Auditing and Consulting Services was prepared in accordance with U.T. System Administration and UTEP guidelines and was approved by UTEP Administration and the Board of Regents.

Career development for the staff is a strategic goal of the Office of Auditing and Consulting Services. It is the Director's practice to create a working environment that facilitates career opportunities for the audit staff within and outside the office. The Office of Auditing and Consulting Services will continue its efforts toward developing staff to their highest potential through the performance of operational audits, exposure to high levels of management, and training targeted at non-traditional audit areas and achievement of professional credentialing.

## ***CALCULATION OF FY 2015 AUDIT HOURS***

The Calculation of Available Hours is included in *Appendix G* and total direct hours assigned to audits and projects are reflected in *Appendix A*.

## ***COMMENTARY ON VALUE ADDED OF AUDIT PLAN UPDATE***

### General:

The definition of "VALUE ADDED" can vary considerably from one audit department to the next but for OACS it describes audit work that will help management meet the University's goals and objectives in addition to verifying compliance with policies and procedures. Organizations are looking to internal auditing departments to add value, improve cost controls, and solve problems. Motivated by the universal mandate to curtail expenses and boost efficiencies, the auditing department will seek ways to add value.

### General plan objectives:

- Plan audits according to the results of the risk-sensitive environment review.
- Execute audits emphasizing a cost-conscious culture.
- Focus on issue identification and seek improvement resolution and highlight attention to future performance by bringing insight, knowledge, judgment, and analytical skills to all audit and consulting engagements.
- Become aware and articulate changes when perceptions of risk change throughout the year.
- Aggressively and constructively consider emerging technology risks and improvement opportunities.

### Objectives of the internal audit professional staff:

- Have the expertise to ask insightful questions.
- Establish a value-based culture through word and action.
- Keep constituents knowledgeable throughout the audit process.
- Differentiate and balance discussion, guidance, and directives.
- Continually assess management's plans to ensure future success.
- Measure performance against forward-looking measures such as benchmarking and practices.
- Build and maintain relationships of mutual trust and respect and engage in open dialogue and regular interaction.
- Maintain a core of experienced audit staff with in-depth knowledge of audit skills supported with continuous training.

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**Institutional Processes and Related Sub-processes**

**1. Governance**

- 1.1 Board of Regents
- 1.2 Other Board Committees
- 1.3 Compliance Program & Auditing
- 1.4 Institutional Audit Committee
- 1.5 Ethics & Standards of Conduct
- 1.6 Organizational Structure & Accountability
- 1.7 Oversight and Public Communications
- 1.8 Policy Management
- 1.9 Business Continuity
- 1.10 Joint Ventures
- 1.11 Strategic Planning and Metrics

**2. Finance**

- 2.1 Accounting
  - 2.1.1 Accounts Receivable
  - 2.1.2 Debt Service
  - 2.1.3 Financial Statement Close & Reporting
  - 2.1.4 Travel and Entertainment
  - 2.1.5 Regulatory - Internal Revenue Service
- 2.2 Budgeting /Decision Support
- 2.3 Accounts Payable
- 2.4 Payroll
- 2.5 Cash Management/Treasury & Investments

**3. Information Technology**

- 3.1 Operations
  - 3.1.1 Data Center
  - 3.1.10 System Access
  - 3.1.11 Change Management
  - 3.1.12 Systems Development Life Cycle
  - 3.1.2 Job Scheduling
  - 3.1.3 Help Desk/Desktop Support
  - 3.1.4 Network
  - 3.1.5 Operating Systems
  - 3.1.6 Outsourcing
  - 3.1.7 Mobile Devices
  - 3.1.8 Disaster Recovery/Business Continuity
  - 3.1.9 Governance
- 3.2 Compliance

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3.2.1 Payment Card Industry Compliance

3.3 Applications

3.3.1 Back Office/ Financial Systems

3.3.2 Database Systems

3.3.3 ERP Systems

3.3.4 Interfaces

3.3.5 Post-Implementation

3.3.6 Pre-Implementation

**4. Research**

4.1 Sponsored Programs Administration

4.10 Institutional Review Board

4.11 Partnerships

4.12 Academic Initiatives & Institutes-Centers

4.2 Time & Effort Reporting

4.3 Accounting & Reporting

4.4 Biosafety

4.5 Publications & Intellectual Property

4.6 Compliance

4.7 Medical Centers and Programs

4.8 PHD

4.9 Clinical Trials

**5. Human Resources**

5.1 Benefits

5.2 Compensation

5.3 Employee Records

5.4 Employee Relations

5.5 Recruiting

5.6 Training

**6. Facilities Management**

6.1 Construction

6.2 Planning and Design

6.3 Maintenance

6.4 Security and Access

6.5 Environmental Health and Safety

6.6 Motor Pool

6.7 Utilities

**7. Property Management**

7.1 Fixed Asset/Capital Management

7.2 Leasing Property



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**8. Supply Chain**

8.1 Materials Management

8.1.1 Receiving & Warehousing

8.2 Purchasing

8.2.1 Bidding

8.2.2 Contracting

8.2.3 Leases

8.2.4 Agreements

**9. Legal**

9.1 Contracting Oversight

9.2 Fraud

9.3 Open Records & Records Retention

**10. Risk Management**

10.1 Enterprise Risk Management

10.2 Insurance

**11. Public Services**

11.1 Prefreshman Programs

11.2 Extended Education

11.3 Community Outreach Programs

11.4 Community Centers

**12. Admissions**

12.1 Enrollment and Registration

12.2 Orientation

12.3 Recruitment

12.4 Student Records - Registrar

**13. Student Services**

13.1 Administration

13.2 Career Centers

13.3 Disability Services

13.4 Healthcare

13.5 Judicial Affairs

13.6 Recreation and Activities

13.7 Student Organizations

13.8 Academic Advising

13.9 Financial Aid

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**14. Academic Support**

- 14.1 Course Development
- 14.2 Degree Program Development
- 14.3 Library Services
- 14.4 Management of Departments
- 14.5 Student Retention and Graduation

**15. Instruction**

- 15.1 Tuition and Fees Management
- 15.2 Accreditation
- 15.3 Faculty Productivity
- 15.4 Faculty Recruitment
- 15.5 Faculty Tenure and Development

**16. Colleges**

- 16.1 College of Architecture
- 16.2 College of Arts and Humanities
- 16.3 College of Behavioral Science
- 16.4 College of Business
- 16.5 College of Communications
- 16.6 College of Education
- 16.7 College of Engineering
- 16.8 College of Health Services
- 16.9 College of Law
- 16.10 College of Liberal Arts
- 16.11 College of Nursing
- 16.12 College of Pharmacy
- 16.13 College of Public Policy
- 16.14 College of Sciences and Math
- 16.15 Colleges - Specialty College
- 16.16 Colleges - General Studies

**17. Athletics**

**18. University Relations**

- 18.1 Alumni Programs
- 18.2 Government Affairs
- 18.3 Marketing & Communications
- 18.4 Public Affairs

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**19. University Development**

19.1 Gifts and Endowments

19.2 Foundation

19.3 Capital Campaigns

**20. Auxiliary Services**

20.1 Mail

20.2 Computers/Printing

20.3 Bookstore

20.4 Food

20.5 Campus Police/Security

20.6 Student Housing

20.7 Events

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Appendix A

FY 2015 Audit Plan Audit/Project	Budgeted Hours	% of Total	Description
<b>Financial</b>			
FY 2014 Financial Statement Audit (assistance to external auditor)	40		Required recurring audit (annual).
FY 2015 Financial Statement Audit (Interim)	100		As required. Anticipating rotation off of Deloitte-conducted audit.
KTEP FM Radio Station	20		Support to external auditor.
Year-end Periodic Cash Counts	100		Recurring annual audit. Includes interim testing for selected accounts.
PeopleSoft Implementation	500		Support for PeopleSoft post-implementation locally and system-wide.
<b>Risk Based Audits:</b>			
Accounts Payable	400		Vendor payments and voucher & expenditure review processes.
Payroll	600		Includes disbursements, withholdings and tax deposits, and fringe benefits.
Tuition and Fees Management	500		Scope to be determined. Will include mandatory fees.
<b>Financial Subtotal</b>	<b>2260</b>	<b>21%</b>	
<b>Operational</b>			
President's Travel, Entertainment and University Residence Maintenance Expense Audit	10		Provide support to the UT System auditors performing the audit.
Executive's Travel and Entertainment Expense Audit (Int. Travel)	300		On-going program to sample Executive and Management travel reimbursements. International focus.
<b>Change of Management Audits</b>			
<b>Risk Based Audits:</b>			
Athletics Employee Conduct and Student Welfare	250		Employee contracts and conduct, and student welfare.
Clinical Labs	400		Health Sciences Clinical Labs (cadaver/clinical practice-PT, OT, CLS, SLP).
Contracts & Grants Accounting	350		Will consider current processes and follow up to SAO recommendations.
Historically Underutilized Business Program	350		Program and process review based on several reported issues from past years.
School of Nursing	200		Includes background checks, licensing, certifications and hospital-based teaching programs.
Student Organization Finances	200		Review of policies and procedures related to student organization financial controls and reporting.
<b>Carryforward Audits:</b>			
Staff Visas	150		Review of compliance with foreign worker employment regulations with a focus on staff visas.
Pro Card	150		Limited review of policies and procedures and status of continuous monitoring.
Student Health Services	150		Emphasis on quality controls, vaccines & refrigeration, etc.
SRP Chemistry-Geology-Physics	100		Review Travel and M & O at request of Dean, College of Science
<b>Operational Subtotal</b>	<b>2610</b>	<b>24%</b>	
<b>Compliance</b>			
Federal Portion of the Statewide Single Audit	60		Assistance to the State Auditor's Office
JAMP	50		Required recurring audit (every other year).
NCAA Football Attendance Audit	60		Required recurring audit (annual).
Affordable Care Act	300		Compliance with new requirements and implementation of processes and tools.
<b>Risk Based Audits:</b>			
Title IX	400		Comprehensive Title IX audit which will span several areas across the University.
Sub-recipient Monitoring	350		Audit sub-recipient agreements and review monitoring of third party compliance.
<b>Carryforward Audits:</b>			
Tech Transfers	100		Review of processes for technology transfer and related licenses and agreements
Purchasing Contracts over \$100K	25		Review of other than construction contracts over \$100K
Export Controls	100		Review of export control processes for compliance with federal and state requirements
International Agreements	100		Review of agreements for clarity and completeness
<b>Compliance Subtotal</b>	<b>1545</b>	<b>14%</b>	
<b>Information Technology</b>			
TAC 202 Phase III	200		Third phase includes Managing Security Risks, Business Continuity Planning, Security Incidents and offsite back-up restorationIntegration with System (in Arlington) which was assessed as high risk.
Continuous Monitoring	300		Continuing data-driven continuous monitoring program using best available data sources, tools & techniques.
<b>Risk Based Audits:</b>			
IT Planning and Maintenance	250		Includes acquisition and maintenance of application software and technology infrastructure.
<b>Carryforward Audits:</b>			
TAC 202 Phase II	350		Continuation of Phase II includes Information Security Safeguards and User Security Practices.
<b>Information Technology Subtotal</b>	<b>1100</b>	<b>10%</b>	
<b>Follow-up</b>	675		
<b>Follow-up Subtotal</b>	<b>675</b>	<b>6%</b>	
<b>Projects</b>			
Internal Quality Assurance and Improvement Program activities, including workgroup initiatives	100		Risk assessment project team as well as periodic reporting to UT System Audit.
Annual Audit Plan development, including risk assessments	150		
UT System, SAO, etc. reporting/requests	50		
TeamMate, IDEA, website development/maintenance, Tableau	50		
Internal Audit Committee preparation/participation, Institutional committee/council/etc.	80		
Professional organization/association participation	60		
Training provided by internal audit to institutional departments/employees/etc. (NEO)	120		Will include greater involvement from audit professionals.
Staff meetings related to the management of the audit activity, such as a meeting to discuss updates/status of multiple engagements, etc.	240		
Annual Internal Audit Report	30		
Annual Reviews/Evaluations	40		
	<b>920</b>	<b>9%</b>	
<b>Reserve</b>			
Consulting/Management Requests	500		
Investigations	500		
Reserve for Audit of Emerging Risks	553		
<b>Reserve Subtotal</b>	<b>1553</b>	<b>15%</b>	
<b>Total Hours</b>	<b>10663</b>	<b>100%</b>	

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Appendix B

Risk Universe - Operations At Risk (Tier1)  
PRIORITIZED NEW TAXONOMY DATA

Category	Operation/Process	Risk Ranking	Risk	Risk Ranking	Risk	Risk Ranking	Risk	Risk Ranking	Risk	Risk Ranking	Risk	Risk Ranking	Risk	Risk Ranking	Risk	Risk Ranking	Risk	Risk Ranking	Risk	Risk Ranking	Risk	Risk Ranking	Risk		
	ACTIVITIES		1		2		3		4		5		6		7		8		9		10		11		12
16	Colleges	HH	School of Nursing	HH	School of Nursing Attracting and Maintaining Faculty	HH	School of Nursing Certification	HH	School of Nursing Hospital Based Teaching	HH	School of Nursing Licensing	HH	School of Nursing Student Background Checks - Nursing	HH	Health Sciences Clinical Laboratories (cadaver/clinical practice-PT, OT, CLS, SLP)	HL	Health Sciences	HL	Health Sciences Program Accreditation	HL	Health Sciences Student Background Checks - Health Sciences	MM	Health Sciences Licensing and Certification	-	n/a
2	Finance	MM	Accounts Payable	MM	Accounts Payable Vendor Payments	MM	Accounts Payable Voucher and Expenditure Review	MM	Payroll Management	MM	Payroll Management Payroll Disbursements	MM	Payroll Management Withholding of taxes from employee wages and timely deposits	HL	Budgeting & Planning	HL	Conflict of Interest and Financial Disclosure	MM	Organization & Management-Financial Management	MM	Payroll Management ORP-collection of funds, transmittal of funds and reporting	MM	Payroll Management Retirement Contributions	-	n/a
3	Information Technology	HH	Information Technology Planning and Organization Financial Management	HH	Offsite back-up restoration Integration with System (in Arlington)	MM	Acquisition and Implementation Acquire and Maintain Application Software	MM	Acquisition and Implementation Acquire and Maintain Technology Infrastructure	MM	Instructional & Academic Technology	HL	Offsite back-up restoration	MM	Acquisition and Implementation	MM	Administrative/Management Controls	MM	Administrative/Management Controls Assignment of Responsibilities	MM	Delivery and Support	MM	Delivery and Support Define and Manage Service Levels	MM	Delivery and Support Manage Performance and Capacity
17	Athletics	MM	Administration-Athletics Annual Financial Audit	MM	Administration-Athletics Employment Contracts and Conduct of Employees	MM	Administration-Athletics NCAA Home Football Attendance	MM	Institutional Control-Athletics	MM	Institutional Control-Athletics Student Welfare	MM	Institutional Control-Athletics Recruiting	MM	Administration-Athletics	MM	Administration-Athletics Education	MM	Administration-Athletics Gender Equity	MM	Administration-Athletics Licensing and Trademark Laws/Ethics and system violation	MM	Institutional Control-Athletics Amateurism	MM	Institutional Control-Athletics Extra Benefits
5	Human Resources	HH	Equal Opportunity Discrimination against Protected Classes	MM	Equal Opportunity Title IX	HL	Equal Opportunity Affirmative Action Plan	MM	Appointment of Relatives	MM	Classification and Salary Administration	MM	Classification and Salary Administration Fair Labor Standards Act (FLSA)	MM	Criminal Background Verifications	MM	Dependent Eligibility	MM	Employee Relations & Grievance Process	MM	Employee Relations & Grievance Process Discipline and Dismissal of Employees	MM	Equal Opportunity	MM	Fringe Benefits
13	Student Services	MM	Student Health Services	HL	Financial Aid Cash Management Rules	HL	Financial Aid Drawing Down	HL	Financial Aid Institutional Program Eligibility	HL	Financial Aid Recertification	HL	Financial Aid Reporting	HL	Financial Aid Return of Funds	HL	Financial Aid Student Eligibility	HL	Financial Aid Verification	HL	Financial Aid Completion of DOE Quarterly Report-Disbursements	HL	Financial Aid State Regulations and Reporting	MM	Student Grievances
4	Research	MM	Financial Issues-Grants & Contracts Management	HL	Animal Research Veterinarian Services	MM	Animal Research	MM	Financial Issues-Grants & Contracts Management Cost Sharing	MM	Financial Issues-Grants & Contracts Management Financial Reporting to Granting Agencies	MM	Financial Issues-Grants & Contracts Management Grants-Accounts Receivable Billing	MM	Human Subject Research	MM	Proposal Review	MM	Proposal Review Cost Estimates	MM	Proposal Review Eligibility for submitting proposals	MM	Proposal Review Proposal Compliance	MM	Sponsored Projects
15	Instruction	MM	Tuition and Fees Management	HL	Tuition and Fees Management Fees Collection and Account Distribution	MM	Tuition and Fees Management	MM	Accreditation/Institutional Effectiveness	MM	Accreditation/Institutional Effectiveness 120 Hour Rule	MM	Accreditation/Institutional Effectiveness 170 Hour Rule	MM	Accreditation/Institutional Effectiveness Reports to the Texas Higher Education Coordinating Board	MM	Faculty	LL	Accreditation/Institutional Effectiveness Integrated Post-secondary Educational Data Systems	LL	Accreditation/Institutional Effectiveness Legislative Budget Board Performance Measures	LL	Accreditation/Institutional Effectiveness Reports to UT System	LL	Faculty Degree Productivity (number granted vs. number of full-time faculty)
6	Facilities Management	MM	Building Key and Card Access Control	HL	Maintenance Operations	MM	Contracted Outside Services	MM	Emergency Response Plans	MM	Facilities Management (Don Haskins & Sun Bowl)	MM	TDH/PCB Asbestos Rules Toxic Substances Control Act	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
8	Supply Chain	MM	Procurement Card	MM	Purchasing Ethics and Conflict of Interest	MM	Purchasing Ethics and Conflict of Interest Vendor Selection	MM	Historically Underutilized Business Program	MM	Leases-Equipment	MM	Procurement of Consulting and Professional Services	MM	Review and Evaluation of Bid and Contracting Process	LL	Best Value "Yellow Pages" Test	LL	Liquor License	LL	Minor Mail	LL	Organization & Staffing	LL	Policies & Procedures
12	Admissions	HL	Counseling Center Release of Mental Health Records	HL	Family Educational Rights and Privacy Act (FERPA)	HL	Registration Processing	HL	Student Records	MM	Enrollment Management	LL	Admissions Processing	LL	Enrollment Management Title 19	LL	New Student Orientation	LL	Recruitment Processing	-	n/a	-	n/a	-	n/a
14	Academic Support	HL	Course Scheduling & Availability Undergraduate (Course Scheduling & Availability)-Parts of Term	MM	Course Scheduling & Availability Graduate (Course Scheduling & Availability)	MM	Texas Success Initiative	MM	Academic Agreements	MM	Grading Practices	MM	Management of Departments & Programs of Study	MM	Management of Departments & Programs of Study Educator Certification	MM	Special Programs Study Abroad	LL	Core Curriculum	LL	Core Curriculum Fields of Study	LL	Course Scheduling & Availability	LL	Library
20	Auxiliary Services	MM	Housing Availability of Housing	MM	Housing Administration/Fiscal	MM	Housing Cost & Services of Housing	MM	Housing Facilities	MM	Housing Health & Safety	MM	Housing Quality of Housing	MM	Housing	MM	The Clergy Act-Reporting	LL	Bookstore	LL	Food Services	LL	Mail Services	LL	Printing & Copying
18	University Relations	MM	Community & Alumni Involvement	MM	Community & Alumni Involvement Alumni Relations Office	MM	Community & Alumni Involvement Partnerships (Alumni Association)	MM	Governmental Relations	MM	Public Service	LL	Community & Alumni Involvement Printed & Electronic Communications	LL	Public & Media Relations	LL	Public Service Relevance & Impact of Programs to State & Local Community	-	n/a	-	n/a	-	n/a	-	n/a
11	Public Services	MM	Course Scheduling & Availability Distance Education	MM	Enrollment Management Hazelwood-Cost of Education	MM	Enrollment Management Military & Veteran Students	MM	Extended University	MM	Extended University Professional and Public Programs	MM	Institutional Control-Athletics Summer Camps	MM	Counseling Center	MM	SB1414-Student Camps	LL	Outreach	LL	Outreach Programmatic	LL	Outreach Renewal and Public Relations	LL	Public Service Centennial Museum
1	Governance	HL	Legal Services	MM	Governance	MM	Internal and External Auditing	MM	Internal and External Auditing Institute of Internal Auditors Standards	MM	Internal and External Auditing Single Audit Act	MM	Internal and External Auditing Texas Internal Auditing Act, Article 6252-5d	MM	Internal Communications	MM	Office of the President	MM	Organizational Structure	-	n/a	-	n/a	-	n/a
9	Legal	HL	Contract Performance Review & Monitoring	MM	Financial Management & Monitoring	LL	Red Flag Rules	LL	University Records Retention and Destruction	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
10	Risk Management	MM	Organization & Management-Asset & Risk Management	MM	Insurance Coverage, Risk Management and Safety	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
7	Property Management	MM	Fixed Asset Management & Surplus Property	LL	Hotel - Ground Lease	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
19	University Development	LL	Community & Alumni Involvement Development Office	LL	Endowments & Gifts	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a

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Appendix D

Academic Risk Universe - Operations At Risk (Tier2)																				
Depicting Tier1 roll-up and Tier 2 detail for ACADEMIC Category																				
Operation/Process	Risk Ranking	Risk	Risk Ranking	Risk	Risk Ranking	Risk	Risk Ranking	Risk	Risk Ranking	Risk	Risk Ranking	Risk	Risk Ranking	Risk	Risk Ranking	Risk	Risk Ranking	Risk	Risk Ranking	Risk
<b>12. Admissions</b>																				
12.1 Enrollment and Registration																				
12.2 Orientation																				
12.3 Recruitment																				
12.4 Student Records - Registrar																				
<b>13. Student Services</b>																				
13.1 Administration																				
13.2 Career Centers																				
13.3 Disability Services																				
13.4 Healthcare																				
13.5 Judicial Affairs																				
13.6 Recreation and Activities																				
13.7 Student Organizations																				
13.8 Academic Advising																				
13.9 Financial Aid																				
<b>14. Academic Support</b>																				
14.1 Course Development																				
14.2 Degree Program Development																				
14.3 Library Services																				
14.4 Management of Departments																				
14.5 Student Retention and Graduation																				
<b>15. Instruction</b>																				
15.1 Tuition and Fees Management																				
15.2 Accreditation																				
15.3 Faculty Productivity																				
15.4 Faculty Recruitment																				
15.5 Faculty Tenure and Development																				
<b>16. Colleges</b>																				
16.1 College of Architecture																				
16.2 College of Arts and Humanities																				
16.3 College of Behavioral Science																				
16.4 College of Business																				
16.5 College of Communications																				
16.6 College of Education																				
16.7 College of Engineering																				
16.8 College of Health Services																				
16.9 College of Law																				
16.10 College of Liberal Arts																				
16.11 College of Nursing																				
16.12 College of Pharmacy																				
16.13 College of Public Policy																				
16.14 College of Sciences and Math																				
16.15 Colleges - Specialty College																				
16.16 Colleges - General Studies																				
<b>17. Athletics</b>																				
<b>18. University Relations</b>																				
18.1 Alumni Programs																				
18.2 Government Affairs																				
18.3 Marketing & Communications																				
18.4 Public Affairs																				
<b>19. University Development</b>																				
19.1 Gifts and Endowments																				
19.2 Foundation																				
19.3 Capital Campaigns																				
<b>20. Auxiliary Services</b>																				
20.1 Mail																				
20.2 Computers/Printing																				
20.3 Bookstore																				
20.4 Food																				
20.5 Campus Police/Security																				
20.6 Student Housing																				

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**Tier One and Tier Two - Red Risks NOT Covered in Audit Plan for FY 2015**

<b>Ranking</b>	<b>Risk</b>	<b>Explanation/Mitigation</b>	<b>Internal Audit Action</b>
HM	Athletics Annual Financial Audit	Audited by UT System Audit FY 2013	UT System to Audit 2015
HM	Student Health Services	Audited 2014/15	Follow-up 2015
HM	Procurement Card	Audited 2014/15	Follow-up 2015



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**Calculation of Available Hours - Example**

	Director	Managers & Supervisors	Staff	Total	%
Audit & Project	895	2,625	7,143	<b>10,663</b>	70%
General Administration	444	369	779	1,592	11%
Training/CPE	72	168	482	722	5%
Holidays	96	216	576	888	6%
Vacation & Sick Leave	61	278	940	1,279	8%
Total Hours	1,568	3,656	9,920	15,144	100%

**Note:**

The total hours are based on 7.25 budgeted positions net of .75 estimated vacancies at the Director and Manager level(s) and 1.00 vacancies at the staff level.

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Audits	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>President</b>					
<b>Intercollegiate Athletics</b>	A/S	A/S	A/S	A/S	A/S
-Athletics Receivables					
-Athletics Summer Camps	A	A	A	A	A
-Athletics Business Plan					
<b>President's Office</b>	S	S	S	S	S
<b>Provost</b>					
<b>Academic Affairs</b>					
<b>College of Business Administration</b>					
-Accounting					
-Economics and Finance					
-Information and Decision Sciences					
-Marketing and Management					
-Dean's Office	S				
<b>College of Education</b>					
-Teacher Education	A	F			
-Educational Leadership					
-Educational Psychology					
-Dean's Office					
<b>College of Engineering</b>					
-Civil Engineering					
-Computer Science					
-Electrical and Computer Engineering					
-Engineering Programs					
-Mechanical and Industrial Engineering					
-Metallurgical and Materials Engineering					
-Dean's Office	A	F			
<b>College of Health Sciences</b>				A	
-Continuing Education in Nursing					
-Institute for Border Health					
-School of Allied Health					
-Kinesiology Department					S
-School of Nursing	A	F	F		F
-Occupational Therapy					
-Physical Therapy					
-Student Health Center	A	F			A
-Dean's Office	F				
<b>College of Liberal Arts</b>					
-African-American Studies					
-Art					
-Asian Studies					
-Chicano Studies					
-Communication					
-Criminal Justice					
-English			S		
-History					
-KTEP-FM Radio Station	E	E	E	E	E
-Languages and Linguistics					
-Military Science					
-Music					
-Oral History					
-Philosophy					
-Political Science					
-Psychology					
-Religious Studies					
-Social Work					
-Sociology and Anthropology					
-Theatre Arts					
-Western Cultural Heritage					
-Women's Studies					
-Dean's Office			A		F

**Legend:** I-Inventory Audit  
P-Hourly Payroll Audit  
C-Internal Control Audit  
F-Follow Up Audit  
A-All Other Audits  
S-Special Requests  
E-External Audits

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Audits	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>College of Science</b>					
-Biological Sciences					S
-Chemistry					S
-Geological Sciences					S
-Mathematical Sciences	A	F	F		
-Physics					
-Dean's Office					C
University College		S			
<b>Graduate School</b>		F			
<b>Technology Planning and Distance Learning</b>					
<b>Center for Law and Border Studies</b>		A	F		S
<b>VPAA's Office</b>					
<b>Family Education and Privacy Act (FERPA)</b>				A	
<b>Enrollment Services</b>					
-Financial Aid	E		E	E	A
-Registrar's Office			F		A
-Undergraduate Admissions and Recruitment					
-Texas Success Initiative					
JAMP		A		A	
<b>VPRSP</b>					
-Center for Environmental Resource Management					
-Center for Study of Western Hemispheric Trade					
-IM <sup>3</sup> /Texas Center					
-MIE					
-NSF/USI					
Norman Hackerman ATP	A	F	A		
-TAME					
-TMAC					
-AmeriCorps					
-Socorro Mission Restoration					
-Human Subject Research			A		
-Animal Research		F			
-Time & Effort Reporting	A	A/F			
-Contracts & Grants Accounting			A		
-Cost Sharing					
Export Controls		A	F		A
-Research Compliance				A	F
-BSL3 Lab				A	F
-Sub-recipient Monitoring of Grants					A
Ctr for Defense Systems Research and Nat Ctr for Border Sec & Imm		A			
<b>VPRSP's Office</b>	A				
<b>VPBA</b>					
<b>Annual Financial Report</b>	A	A	A	A	A
-Accounts Receivable					
-Auxiliary Enterprise Fund					
-Gifts	A				A
-Investments					
-Tuition and Fees			S	A	A
-Year End Inventory and Cash Counts	S	S	S	S	S
<b>Auxiliary Services and Continuing Education</b>					
-Food Services					
-Various Cash Counts					
-Inventory Count					
-Professional and Continuing Education					
-Special Events and Union Programs					
-University Bookstore					
-University Ticket Center					
<b>Facilities Services</b>		A	F/A		
-Accounts Payable	F				F
-Budgeting Office					
-Contracts and Grants Accounting				A	
-General Accounting					
-Payroll			A		
-Conflict of Interest	A	F			
-Student Business Services					
-Utilities, Energy Management				A	F
ARRA		A			
<b>Purchasing and Materials Management</b>					
-Mail Services					
-Procurement Card	A			A	F
-Print Shop					
Miner Mall			A		
-Contract and Bid Processes					
<b>VPBA's Office</b>					

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Audits	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>EVP</b>					
<b>Institutional Advancement</b>					
-Alumni Relations					
-Scholarships					
-University Development					
-University Communications					
-University Relations					
-Conference Services					
<b>Human Resource Services</b>	A	A	F		
-Faculty Visas	A			A	A
Dependent Eligibility			A		
<b>Institutional Compliance</b>			A		A
-Contracts and Grants					
-Financial Aid					
-Intercollegiate Athletics					
-WAC Review/CUSA Review					
-Segregation of Duties and Reconciliation of Accounts					
-Student FICA					
-Institutional Compliance Office		A			
-Fixed Assets					
<b>Auditing and Consulting Services</b>	A/E				E/A
<b>Environmental Health and Safety</b>					
<b>University Police</b>	F			A	
<b>Emergency Management Plan</b>	F			A	
<b>VPIA's Office</b>					
<b>Equal Opportunity/Affirmative Action Office (EO/AA)</b>					
<b>VPSA</b>					
<b>Outreach Programs</b>					
<b>Student Development</b>					
-Counseling Services			A		
-Dean of Students Office					
-Student Publications					
-Housing System					
-International Programs				A	
-PASE Program					
-Study Abroad Program					
-Recreational Sports					
-Student Government Association					
-Student Development					
<b>Union Services</b>					
<b>Student Support Services</b>	E		F		
<b>VPSA's Office</b>					
<b>VPIRP</b>					
-Digital Media Center					
<b>Library</b>					
-Library Copy Center					
<b>Information Technology</b>					
-CIO					
-Information Technology Services	A	F			
-Customer Technology Services					
-Networking and Telecommunication Services					
-General Controls	A	F			
-Goldmine (Student Information System)					
-IT Travel					
-IT Furniture					
-IT Change Management	A	F			
-IT Security	A	F	A	A	A
Payment Card Industry		A	F		
Digital Research Data					
Laptop Encryption				A	A
IT Inventory				A	A
Server Inventory		S			
<b>Center for Institutional Evaluation Research and Planning</b>					
<b>PeopleSoft Implementation</b>				S	S
<b>Executive Travel and Entertainment</b>					A

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**a. Approved Changes to the FY 2015 Audit Plan**

FY 2015 Audit Plan Audit/Project	Budgeted Hours	Approved Plan Changes	Revised Plan	
FY 2014 Financial Statement Audit	40		40	
FY 2015 Financial Statement Audit (Interim)	100	50	150	A
KTEP FM Radio Station	20		20	
Year-end Periodic Cash Counts	100		100	
PeopleSoft Implementation	500		500	
<b><i>Risk Based Audits:</i></b>				
Accounts Payable	400		400	
Payroll	600	(300)	300	A
Benefits Proportionality by Fund		300	300	A
Tuition and Fees Management	500		500	
<b>Financial Subtotal</b>	<b>2,260</b>	<b>50</b>	<b>2,310</b>	
<b><i>Operational</i></b>				
President's Travel, Entertainment and University Residence Maintenance Expense Audit	10		10	
Executive's Travel and Entertainment Expense Audit (Int. Travel)	300		300	
<b><i>Risk Based Audits:</i></b>				
Athletics Employee Conduct and Student Welfare	250		250	
Clinical Labs	400	(400)	-	A
Contracts & Grants Accounting	350	(350)	-	A
Historically Underutilized Business Program	350	(350)	-	B
School of Nursing	200		200	
Student Organization Finances	200	(200)	-	A
<b><i>Carryforward Audits:</i></b>				
Staff Visas	150		150	
Pro Card	150		150	
Student Health Services	150		150	
SRP Chemistry-Geology-Physics	100		100	
<b>Operational Subtotal</b>	<b>2,610</b>	<b>(1,300)</b>	<b>1,310</b>	

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FY 2015 Audit Plan Audit/Project	Budgeted Hours	Approved Plan Changes	Revised Plan	
<b>Compliance</b>				
Federal Portion of the Statewide Single Audit	60		60	
JAMP	50	(50)	-	A
NCAA Football Attendance Audit	60		60	
Affordable Care Act	300	(300)	-	A
			-	
<b>Risk Based Audits:</b>			-	
Title IX	400	(400)	-	B
Sub-recipient Monitoring	350	(350)	-	A
<b>Carryforward Audits:</b>				
Tech Transfers	100	(100)	-	
Purchasing Contracts over \$100K	25	(25)	-	
Export Controls	100	(100)	-	
International Agreements	100	(100)	-	
<b>Compliance Subtotal</b>	<b>1,545</b>	<b>(1,425)</b>	<b>120</b>	
<b>Information Technology</b>				
TAC 202 Phase III	200	100	300.0	A
Continuous Monitoring	300		300.0	
<b>Risk Based Audits:</b>				
IT Planning and Maintenance	250		250.0	
<b>Carryforward Audits:</b>				
TAC 202 Phase II	350		350.0	
<b>Information Technology Subtotal</b>	<b>1,100</b>	<b>100</b>	<b>1,200</b>	
<b>Follow-up</b>	675		675.0	
<b>Follow-up Subtotal</b>	<b>675</b>	<b>-</b>	<b>675</b>	

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FY 2015 Audit Plan Audit/Project	Budgeted Hours	Approved Plan Changes	Revised Plan	
<b>Projects</b>				
Internal Quality Assurance and Improvement Program activities, including workgroup initiatives	100		100.0	
Annual Audit Plan development, including risk assessments	150		150.0	
UT System, SAO, etc. reporting/requests	50		50.0	
TeamMate, IDEA, website development/maintenance, Tableau	50	150	200	A
Internal Audit Committee preparation/participation, Institutional committee/council/etc.	80		80.0	
Professional organization/association participation	60		60.0	
Training provided by internal audit to institutional departments/employees/etc. (NEO)	120		120.0	
Staff meetings related to the management of the audit activity, such as a meeting to discuss updates/status of multiple engagements, etc.	240		240.0	
Annual Internal Audit Report	30		30.0	
Annual Reviews/Evaluations	40		40.0	
<b>Project Subtotal</b>	<b>920</b>	<b>150</b>	<b>1,070</b>	

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FY 2015 Audit Plan Audit/Project	Budgeted Hours	Approved Plan Changes	Revised Plan	
<b>Reserve</b>				
Consulting/Management Requests	500	200		A
		(500)	200.0	A
CIM - College of Education - Dean's Office		300	300.0	A
College of Science Departmental Reviews		200	200.0	A
Investigations	500	(100)	400.0	A
Faculty Textbooks		100	100.0	A
Reserve for Audit of Emerging Risks	553	(500)	53	A
<b>Reserve Subtotal</b>	<b>1,553</b>	<b>(300)</b>	<b>1,253</b>	
<b>Total Hours</b>	<b>10,663</b>	<b>(2,725)</b>	<b>7,938</b>	
A - Discussed at December 18, 2014 Audit Committee Meeting and approved via email vote.				
B - Approved at April 28, 2015 Audit Committee Meeting				



## FY 2014-2015 -List of Audits Completed Showing Recommendations, Management Responses/Action Plan, and Implementation Status

Audit Report Number and Name	Report Date	Recommendations	Management Responses/ Action Plan	Implementation Status (Fully Implemented, Substantially Implemented, Incomplete/Ongoing, or Not Implemented) with brief description if not yet implemented
#14-06 Staff Visas	03/13/2015	<u>Form I-9 Document Management:</u> Departments should be required to provide an action plan to prevent future incidents of late submissions of Forms I-9. The action plans should be shared with the President, Human Resources and the Legal Department.	Deans, Chairs, Chief Administrative Officers and administrative support need to become responsible parties to ensure adherence to I-9 regulations. Human Resources will continue to educate students, faculty and staff during orientations and provide guidance to ensure all are aware the implications of noncompliance. An alternative solution could involve the centralization of all hiring processes.	<u>In Progress</u> Late submissions of I-9 forms will continue to be reported at Dean's Council to promote compliance and awareness.
#14-06 Staff Visas	03/13/2015	<u>Visa status in PeopleSoft:</u> The PeopleSoft module with citizenship and visa status needs to be corrected to ensure accurate reporting.	There has been an error identified with the PeopleSoft software that needs to be corrected by developers.	<u>In Progress</u> A ticket has been generated for the developers to correct the error to be able to establish effective reporting. This error has been identified with six other institutions within the UT Share group and is not specific to UTEP. UT Share has been notified and has placed this issue on their docket for review.
#14-08 Texas Administrative Code 202 (Phase 2)	09/16/2015	<u>Account Management-Terminated Employee Access:</u> A scheduled periodic review and monitoring of user accounts should be performed by Account Administrators (Custodians) - Enterprise Computing as stated in the UTS165 and UTEP policies. The ISO should review monitoring performed by custodians or conduct their own monitoring.  Policies and procedures should be updated to include exceptions for keeping an account active of a terminated employee (students, faculty and staff) in any Business Application or in Active Directory. In addition, the retention period to keep an account active in a Business Application or in Active Directory (Security system) should be clearly documented and communicated for terminated employees.	Information Resources Planning (IRP) will work with the Information Security Office to document and publish the Identity Management process to include timelines for the disabling/deleting of accounts for employees and students.  IRP will work with the Information Security Office to develop an account review process where account access is reviewed by divisions/departments/offices on a regular basis.	<u>In Progress</u> IRP will have a plan developed and documented by 12/31/2015 so that the first review can happen during second quarter of 2016.

## FY 2014-2015 -List of Audits Completed Showing Recommendations, Management Responses/Action Plan, and Implementation Status

Audit Report Number and Name	Report Date	Recommendations	Management Responses/ Action Plan	Implementation Status (Fully Implemented, Substantially Implemented, Incomplete/Ongoing, or Not Implemented) with brief description if not yet implemented
#14-08 Texas Administrative Code 202 (Phase 2)	09/16/2015	<u>User Security Practices-Public Access Devices:</u> Create policies or standards for Public Access Devices. Complete an inventory of UTEP devices to identify all Public Access Devices and verify public access protection.  Verify and certify that purchased devices for Public Use go through Technology Support in order to be in compliance with the University's security policy, and when possible, implement solutions to assist the department to be compliant with UTEP standards.	The ISO is currently in the process of updating the information security documentation to align with the 2015 TAC 202 and UTS 165 changes and will address Public Access Devices at that time.  The ISO will work with Inventory, Technology Support, Enterprise Computing, TIMs (Technology Information Managers) and department heads to verify that their inventory is complete and that all devices have Absolute Manage Software installed on their devices.	<u>In Progress</u> Implementation Date: August 31, 2016
#14-08 Texas Administrative Code 202 (Phase 2)	09/16/2015	<u>Encryption Policy:</u> The Information Security Officer should update the IT Security Policy document to ensure that it contains current TAC 202 and UTS 165 Encryption policies, procedures and best practices.	ISO is currently in the process of updating the information security documentation to align with the 2015 TAC 202 and UTS 165 changes, and will address any changes to account management.	<u>In Progress</u> Implementation Date: March 30, 2016
#14-08 Texas Administrative Code 202 (Phase 2)	09/16/2015	<u>Account Management Policy - Requirements &amp; Controls:</u> The Information Security Officer should update the IT Security Policy to ensure that the University is in compliance with current TAC 202 and UTS 165 Account Management policies and procedures and best practices.	ISO is currently in the process of updating the information security documentation to align with the 2015 TAC 202 and UTS 165 changes, and will address any changes to account management.	<u>In Progress</u> Implementation Date: March 30, 2016
#14-08 Texas Administrative Code 202 (Phase 2)	09/16/2015	<u>User Security Practices- Security Awareness:</u> There were no recommendations.	N/A	N/A
#14-08 Texas Administrative Code 202 (Phase 2)	09/16/2015	<u>User Security Practices- Non Disclosure Agreements:</u> There were no recommendations.	N/A	N/A
#14-08 Texas Administrative Code 202 (Phase 2)	09/16/2015	<u>Account Management – Process Map:</u> There were no recommendations.	N/A	N/A

## FY 2014-2015 -List of Audits Completed Showing Recommendations, Management Responses/Action Plan, and Implementation Status

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#15-01 School of Nursing	02/25/2015	There were no recommendations for this audit.	N/A	N/A
#15-02 College of Education Dean's Office- Change in Management Audit	02/12/2015	<u>Business Continuity Plan:</u> A business continuity plan should be developed. The plan should address the resources that support all of the academic and administrative functions of the College of Education, to include: Personnel, Communication tree, Facilities, Technology platforms (all computer systems), data networks and equipment, and information resources.	The process of establishing a business continuity plan (BC) for the Dean's Office for the College of Education will begin immediately.	<u>Fully Implemented</u>
#15-02 College of Education Dean's Office- Change in Management Audit	02/12/2015	<u>Safeguarding of Assets:</u> We recommend that the College: Develops a complete and accurate inventory list which clearly identifies the location of all inventory items, contact the Inventory Department when items are transferred to and from other colleges or departments in order to process the official transfer to the correct unit code in a timely manner, periodically reconcile the College's physical inventory items with those recorded in BIS/PeopleSoft, and maintain on file, documentation authorizing removal of inventory items from the University premises.	Effective immediately, the College of Education will secure a master list of inventory items from UTEP's Inventory Department at least twice yearly. The master list will be compared to the College's inventory database to identify any discrepancies. Any discrepancies identified will be addressed and corrected.	<u>Fully Implemented</u>
#15-03 Student Health Center Vaccine Management	12/04/2014	<u>Policies and Procedures:</u> To provide guidance to employees, the SHC should develop policies and procedures which address the following areas: Vaccine storage and handling, temperature monitoring, inventory management, and preparation and disposal.  Once the policies and procedures are in place, they should be reviewed annually to help ensure continued compliance with CDC guidelines and best practices.	Management agrees with the findings and recommendations regarding the development of a UTEP SHC specific policy and procedure.  The UTEP SHC nursing staff developed vaccine storage and handling policies and procedures that address the recommendations and follow CDC guidelines.  The policies and procedures will be presented to the SHC staff by December 5, 2014.	<u>Fully Implemented</u>
#15-03 Student Health Center Vaccine Management	12/04/2014	<u>Emergency Plan:</u> The SHC should develop an Emergency Vaccine Retrieval and Storage Plan that provides up-to-date information regarding procedures to follow for the protection and/or	Management agrees with the finding and recommendations. The SHC nursing staff has updated the emergency contact information in collaboration with Union services, and will review contact numbers at a minimum interval of six months. The nursing staff has	<u>Fully Implemented</u>

## FY 2014-2015 -List of Audits Completed Showing Recommendations, Management Responses/Action Plan, and Implementation Status

Audit Report Number and Name	Report Date	Recommendations	Management Responses/ Action Plan	Implementation Status (Fully Implemented, Substantially Implemented, Incomplete/Ongoing, or Not Implemented) with brief description if not yet implemented
		retrieval of vaccines as quickly as possible when a potentially compromising situation occurs. This plan should include: Up-to-date emergency contact information, appropriate packing protocols, vaccine transportation protocols, and alternate storage facility storage protocols.	incorporated the packing protocols and the vaccine transportation protocols in the "Vaccine Storage and Handling" policy.  Management is in the process of working with the Director of Union Services and Environmental Health and Safety to arrange for back-up vaccine storage areas.	
#15-05 Proportional Benefits	12/05/2014	There were no recommendations for this audit.	N/A	N/A
#15-07 Executive Travel and Entertainment Expenses	05/29/2015	<u>Compliance with Travel and Entertainment Guidelines:</u> The Handbook of Operating Procedures (HOOP) should be updated to provide clear and timely guidance on travel and entertainment policies. The guidance provided on the UTEP Travel Office website and the VPBA Business Process Guidelines should follow the policies outlined in the HOOP. Consequences for lack of compliance with policies should be clearly outlined and enforced.	N/A	N/A; this is a yearly audit that will be reviewed again in 2016. Management responses are not required.
#15-08 NCAA Certified Attendance Letter	02/06/2015	There were no recommendations for this audit	N/A	N/A
#15-09 Continuous Auditing Course Fee Management	08/28/2015	Establish a continuous auditing strategy. Identify monitoring and continuous audit roles. Determine the frequency and distribution of the four continuous auditing reports. Configure continuous audit parameters. Prepare and validate the data. Report and manage results.	We concur that management should be responsible for maintaining effective controls systems and it should also be responsible in monitoring the effectiveness of these controls as the university benefits from obtaining timely insight into transactions that are the result of fraud, error or abuse.	<u>Fully Implemented</u>

## FY 2014-2015 -List of Audits Completed Showing Recommendations, Management Responses/Action Plan, and Implementation Status

Audit Report Number and Name	Report Date	Recommendations	Management Responses/ Action Plan	Implementation Status (Fully Implemented, Substantially Implemented, Incomplete/Ongoing, or Not Implemented) with brief description if not yet implemented
#15-11 Accounts Payable	11/2/15 – The work for this audit was complete and the report submitted to the client prior to year-end; however, final client responses were not received until 10/26/15.	<p><u>Late Payments to Vendors:</u></p> <p>Senior management should convey to end user departments the importance of executing their purchasing responsibilities in a timely and accurate manner.</p> <p>AP personnel should continue to monitor open invoices and outstanding exceptions so they can be addressed promptly and paid in a timely manner according to the Government Code and Prompt Payment Act.</p>	Monitoring the timeliness of payments and ensuring that our vendors receive their payments within the timeline set by the Prompt Payment Act has always been a priority for the Accounts Payable (AP) office. During the PeopleSoft conversion, system constraints precluded the efforts of AP to make payments timely. As we progressed with the transition to PeopleSoft we have developed a collaborative effort with our cross-functional partners, Budget, Purchasing, and Contracts and Grants Accounting, to monitor, evaluate and correct issues that hinder the timeliness of payments. In addition, the Accounts Payable Office has proposed new procedures that, given certain conditions, streamline efforts to obtain the receipt of goods and/or services which frequently causes payment delays.	<p><u>In Progress</u></p> <p>Implementation Date: 11/02/2015</p>
#15-11 Accounts Payable	11/02/15	<p><u>Identification of 1099 vendors:</u></p> <p>To provide guidance to employees, AP should develop policies and procedures which address IRS 1099/1042 requirements. Once the policies and procedures are in place, they should be reviewed annually to help ensure continued compliance with IRS requirements.</p> <p>Training should be provided to AP personnel to make them aware of IRS requirements so they will correctly identify 1099/1042 vendors and payments.</p> <p>Develop a process to monitor and review information in the PeopleSoft voucher and payment tables to determine the accuracy of the data and correct any errors prior to the issuance of the 1099/1042.</p>	<p>1099/1042 information is partially compiled from description lines contained in vendor profiles. The profiles are entered into PeopleSoft by the Purchasing Office with the Supplier Information Form (SIF) being the source of data collection. The description of vendor services is voluntarily completed by the vendor. Unfortunately, the information lines are either left blank, or were filled out with information not adequate for tax monitoring purposes. Another concern is that some vendors may provide multiple services which are both tax reportable and not reportable.</p> <p>Accounts Payable continues to advocate for implementation of workflow in PeopleSoft for vendor creation that would shift the data entry of vendor information to the department and allow for final approval in the AP office. This would ensure that the individual with the appropriate skill set would review and flag the tax status. Until this process can be placed into production AP runs monthly queries that identify 1099/1042 vendor payments and continually process clean-up to ensure payments are reported correctly.</p>	<p><u>In Progress</u></p> <p>Implementation Date: 11/02/15</p>

**FY 2014-2015 -List of Audits Completed Showing Recommendations, Management Responses/Action Plan, and Implementation Status**

Audit Report Number and Name	Report Date	Recommendations	Management Responses/ Action Plan	Implementation Status (Fully Implemented, Substantially Implemented, Incomplete/Ongoing, or Not Implemented) with brief description if not yet implemented
#15-11 Accounts Payable	11/02/15	<p><u>ACH Payments:</u></p> <p>AP should have a documented process in place to identify all payments over \$10,000 and process them by ACH or other electronic means whenever possible.</p> <p>AP should retain documentation of vendors opting out of electronic payments.</p>	<p>Vendors may elect to enroll in direct deposit when completing the Supplier Information Form (SIF), previously known as the Payee Information Form. Within the SIF, vendors are offered the option to elect payment via direct deposit; however, requiring vendors to elect payment through direct deposit is not required under either state law or UT System regulations. Although both the AP and Purchasing Offices encourage participation in direct deposit, vendors may still choose otherwise. In many instances vendors have explained that unless they receive a hardcopy check they are unable to apply payments correctly and prefer this method to ensure receipt and posting of payments.</p> <p>SIF (and formerly PIF) forms are maintained by the University, but many vendors that have provided goods and services to the University for numerous years have been assigned identification either prior to the use of the forms, or the forms may have been either archived or destroyed under retention requirements.</p> <p>We believe that we are registering vendors as required, and are attempting in good faith to notify vendors of the benefits of utilizing electronic means of payment. Until there changes in laws or regulations requiring use of ACH for any type of payment by the University, we cannot unilaterally make the decision to pay by ACH only.</p>	<p><u>Ongoing</u></p>

**FY 2014-2015 -List of Audits Completed Showing Recommendations, Management Responses/Action Plan, and Implementation Status**

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## FY 2014-2015 -List of Audits Completed Showing Recommendations, Management Responses/Action Plan, and Implementation Status

Audit Report Number and Name	Report Date	Recommendations	Management Responses/ Action Plan	Implementation Status (Fully Implemented, Substantially Implemented, Incomplete/Ongoing, or Not Implemented) with brief description if not yet implemented
#15-16 FY 2016 Financial Statement Audit (Interim)	8/28/15	<u>Account Reconciliations:</u> D&T selected the Anthropology department and requested the monthly reconciliation performed, completed, and reviewed for March of 2014. We note that the department did not perform this reconciliation at any point during FY14.	During FY 14/15 we reviewed the account reconciliations for five separate cost center approvers. We determined that reconciliations for 2 of 5 (40%) of the cost centers were being performed, but the reconciliations were not timely. We followed up with the cost center approvers in August to determine if there had been any changes to the reconciliation process. Based on interviews with the cost center approvers, we determined that none of the reconciliations were up-to-date, however, all of the cost center approvers were hoping to have the reconciliations completed in time for the annual certification after year end.	<u>In Progress</u>  Ongoing Review
#15-16 FY 2016 Financial Statement Audit (Interim)	8/28/15	<u>Operating Expenses:</u> At year end, there was not a PS account reconciliation process in place, therefore departments were not reconciling their accounts. As such, we have determined this to be a deficiency in the design and implementation of this control.	In March 2015, UT System Shared Services developed a new process. The new report provides account balances and transactions in one document which simplifies the process. Additional queries have been developed to supplement the reconciliation process.	<u>Fully Implemented</u>
#15-16 FY 2016 Financial Statement Audit (Interim)	8/28/15	<u>Journal Entry Testing:</u> We noted that during our inquiries with management, internal audit, and during the performance of our engagement we noted that a deficiency existed within the PeopleSoft System after implementation, related to segregation of duties and user access. As the WorkFlow Process was not turned on in PeopleSoft, journal entries were not being routed to the appropriate individual for approval and people who should not have the ability to post transactions	Since PeopleSoft WorkFlow Process hasn't been turned on, a manual remedial control has been implemented by Financial Reporting. Four high level employees have entry and approval access; however there is a manual approval process between them. When one of these individuals creates a journal entry it gets printed out and given to the supervisor for approval and entry into the system. The supervisor indicates approval by signing the printed copy which is kept for back up.	<u>Not Implemented</u>  This finding will be implemented when UTEP PeopleSoft workflow processes are incorporated. Workflow process is in the testing stage and is expected to be turned on in 2015. Once workflow is in place the system will not allow to any user to create and approve their own entry.



#### IV. FY 2014-2015 -List of Consulting Engagements and Non-Audit Services Completed

Audit Report Number and Name	Report Date	Recommendations	Management Responses/ Action Plan	Implementation Status (Fully Implemented, Substantially Implemented, Incomplete/Ongoing, or Not Implemented) with brief description if not yet implemented
#14-SRP-04 Chemistry- Geology- Physics Departments	10/06/2014	<u>Lack of support documentation:</u> Several purchases were made in the Chemistry, Physics, and Geology Departments without appropriate oversight and approval. State regulations and University policies and procedures must be followed when processing financial transactions at the University.	Management responses are optional on Special Request Projects	N/A
#15-SRP-01 Faculty Authored Textbooks	05/29/2015	<u>Documentation of Current Policies and Procedures:</u> The faculty textbook adoption form and guidance provided by the UTEP Handbook of Operating Procedures is in compliance with UT System Board of Regents' Rule 31004 and University Policies and Procedures.  There were no recommendations.	Management responses are optional on Special Request Projects	N/A
#15-SRP-01 Faculty Authored Textbooks	05/29/2015	<u>Current policies and procedures are not enforced or monitored:</u> Accountability for maintaining and monitoring the authorization forms should be assigned to the Provost's Office and coordinated with the Bookstore to ensure all faculty textbooks are appropriately approved in a timely manner.  The authorization form should prominently display the requirement to send a copy of the approved form to the Bookstore. If a professor is using their online tool to submit the book order, the form can be copied and pasted in the notes section of the tool.	Management responses are optional on Special Request Projects	N/A

## FY 2014-2015 -List of Consulting Engagements and Non-Audit Services Completed

Audit Report Number and Name	Report Date	Recommendations	Management Responses/ Action Plan	Implementation Status (Fully Implemented, Substantially Implemented, Incomplete/Ongoing, or Not Implemented) with brief description if not yet implemented
#15-SRP-01 Faculty Authored Textbooks	05/29/2015	<p><u>Current policies and procedures for pricing Follett Digital Textbook and Course Materials Contracts need to be updated to promote best value pricing for students:</u></p> <p>Additional guidelines for digital textbook contracts should be included in the UTEP HOOP. The faculty author of the textbook should not have the sole authority to determine revenue earned per volume sold.</p>	Management responses are optional on Special Request Projects	The Provost is working with the Bookstore and the academic department to resolve the issue
#15-SRP-01 Faculty Authored Textbooks	05/29/2015	<p><u>Financial gain from online faculty textbook adoption is not consistent with book royalty payments and is not monitored by third parties:</u></p> <p>Additional guidelines are necessary for the distribution of profits from all faculty authored textbooks to ensure textbook process remain as low as possible for students.</p>	Management responses are optional on Special Request Projects	The Provost is working with the Bookstore and the academic department to resolve the issue
#15-SRP-02 Review of the Bank Account Reconciliation Process in PeopleSoft	08/10/2015	<p><u>Bank Reconciliation Process:</u></p> <p>A monthly bank reconciliation should be prepared to ensure accurate financial reporting and security of monetary assets.</p> <p>The University should consider converting manual procedures to system-based (automated) steps, where possible, in order to increase the effectiveness and efficiency of the whole reconciliation process. This could include the use of computer-based analytical tools to extract, compare, analyze and summarize the transactions more quickly and accurately.</p>	We, along with the other institutions involved in the conversion, are expecting UT System to complete a process and training to accomplish automated reconciliation. Until then, we will continue to do a manual reconciliation monthly in order to report the University's cash position at specific points in time.	Ongoing
#15-SRP-02 Review of the Bank Account Reconciliation Process in PeopleSoft	08/10/2015	<p><u>Clearing Account Activity:</u></p> <p>A standardized process for resolving clearing account reconciling items and for monitoring the resolution process should be implemented.</p> <p>In addition, the completion of templates for every department will help automate the matching of transactions and make the reconciliation process more efficient by reducing the volume of reconciling items.</p>	<p>Departmental Deposit Templates:</p> <p>With the support of Executive Management, we would like to implement a Campus wide procedure that would address and greatly improve two issues: The bank reconciliation process, and the timely resolution of clearing account reconciling items. This procedure has already been tested by large departments (Student Business Services, Athletics, and Special Events), and is currently being applied successfully. Every department will</p>	Ongoing

## FY 2014-2015 -List of Consulting Engagements and Non-Audit Services Completed

Audit Report Number and Name	Report Date	Recommendations	Management Responses/ Action Plan	Implementation Status (Fully Implemented, Substantially Implemented, Incomplete/Ongoing, or Not Implemented) with brief description if not yet implemented
			<p>record their bank transactions (Cash, Checks, Credit Card activity and Electronic Fund Transfers) automatically through a template. This can be done by each department providing a cost center and account where they would deposit activity to be recorded under.</p> <p>A template will then be created with that specific data. If a new cost center is preferred for this purpose, we can create a new one for them. Having templates (with specific revenue cost center) will eliminate the majority of reconciling items. Departments will no longer need to create deposit vouchers. After everything has been recorded through the templates, the departments can reallocate the revenues through an ONL Inter Department Transfer process through accounting. As departments become proficient with the templates, they can be trained to load up their ONL entries directly.</p>	
#15-SRP-02 Review of the Bank Account Reconciliation Process in PeopleSoft	08/10/2015	<p><u>Procedures for the Bank account Reconciliation in PeopleSoft:</u></p> <p>Procedures for the daily matching and monthly bank account reconciliations should be developed and documented to provide adequate guidance to employees and provide a reference for cross training or new employee training.</p>	A procedure has been developed and documented. A draft is in the process of review and approval by GA's Assistant Director, Director and Associate VP for Business Affairs.	Fully implemented
#15-SRP-02 Review of the Bank Account Reconciliation Process in PeopleSoft	08/10/2015	<p><u>Staffing and Cross Training:</u></p> <p>We recommend that the department implement cross-training for the reconciliation process to provide workforce flexibility and to ensure separation of duties.</p>	Additional training on this process has been provided to two additional team members (Assistant Director and Accountant II). We are confident that with this training, the reconciliation process would take place even in the absence of the assigned Accountant. We are evaluating the current resources available in order to determine if a recommendation for additional headcount is required. We are considering current and future workloads, as well as the impact that the implementation of initiatives (like the one proposed above on departmental deposits), could have on improved process efficiency.	Ongoing

## FY 2014-2015 -List of Consulting Engagements and Non-Audit Services Completed

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#15-SRP-03 Human Resources I-9 Process Mapping Review	08/24/2015	During our review, it was identified that the main risk areas are due to the manual nature of many steps within the process. However, HR has in place several review layers to reduce the likelihood of errors occurring when inputting data into the system. In addition, an I-9 monthly monitoring procedure is conducted to identify employees with an expiring visa to avoid illegal employment after the expiration date.	The process mapping was presented to the Human Resources Department for review and approval	Fully implemented
#15-SRP-04 Surplus Inventory Business Process Maps Review	09/18/2015	<p><u>Enhancement of Controls for Surplus Risk Areas:</u></p> <p>Transfer to Surplus – The TMA-work order e-mail notification sent to customers should include the surplus website address and a checklist which outlines the surplus pickup procedures to be followed. The Surplus Property Transfer Form (SPTF) should also include the website address and reference the checklist to inform the customer of surplus procedures.</p> <p>When tagged inventory items on the SPTF are identified as not assigned to that department's inventory records, the customer should be directed to contact the inventory department and have the items recorded correctly.</p> <p>The surplus inventory labels attached to items sent to surplus should be monitored. The reason for any missing labels should be documented in order to maintain accountability and help in reconciling to the surplus inventory database.</p> <p>The off-campus surplus warehouse should also be secured to prevent unauthorized access.</p> <p>The checklist should also indicate that the customer review their inventory records, after transferring inventory to Surplus, to ensure that all items have been removed from their records.</p>	Management responses are optional on Special Request Projects	N/A

## FY 2014-2015 -List of Consulting Engagements and Non-Audit Services Completed

Audit Report Number and Name	Report Date	Recommendations	Management Responses/ Action Plan	Implementation Status (Fully Implemented, Substantially Implemented, Incomplete/Ongoing, or Not Implemented) with brief description if not yet implemented
#15-SRP-04 Surplus Inventory Business Process Maps Review	09/18/2015	<u>Transfer to Texas Department of Criminal Justice (TDCJ):</u> Documented certification should be provided to the Surplus Department for all computer equipment transferred indicating that sensitive and/or confidential information has been removed. Surplus should then confirm that the documentation has been received and is on file before any equipment is sent to TDCJ. A method of documenting the certification should be developed with the help of the Information Security Office and Help Desk.	Management responses are optional on Special Request Projects	N/A
#15-SRP-04 Surplus Inventory Business Process Maps Review	09/18/2015	<u>Surplus Auction:</u> The auctioneer should sign off on the list of the surplus items to be auctioned.  After the auction is completed, the items should be reconciled to the total auction surplus items list by the auctioneer.  The reconciliation should be signed by the auctioneer and kept on file by the Surplus Department.	Management responses are optional on Special Request Projects	N/A
#15-SRP-04 Surplus Inventory Business Process Maps Review	09/18/2015	<u>Transfer from Surplus:</u> Copies of the original SPTFs for controlled items should be kept on file to support the reconciliation between the surplus inventory database and inventory department records.  The Surplus database should be reconciled with inventory records, reviewed quarterly and signed by a senior manager to document the review.	Management responses are optional on Special Request Projects	N/A
#15-SRP-04 Surplus Inventory Business Process Maps Review	09/18/2015	<u>Written procedures for the following areas should be added to the UTEP Handbook of Operating Procedures or the Business Process Guidelines:</u> Responsibility for the determination of final disposition of unusable and unserviceable property, to include documentation and approval procedures.  Responsibility for the certification and documentation of the removal and/or destruction of sensitive and confidential information from IT devices.	Management responses are optional on Special Request Projects	N/A

The University of Texas at El Paso  
Office of Auditing and Consulting Services  
Fiscal Year 2015 Internal Audit Annual Report

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## V. External Quality Assurance Review



May 27, 2014

Mr. William Peters, Director and Chief Audit Executive  
The University of Texas at El Paso  
500 W. University Ave. Administration Bldg. Suite 402  
El Paso, TX 79968

We have completed an External Quality Assessment ("EQA") of The University of Texas at El Paso ("UT El Paso" or "institution") Office of Auditing and Consulting Services ("OACS"). The EQA included an assessment of the level of conformance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing ("the IIA Standards"), the Generally Accepted Government Auditing Standards ("GAGAS"), as well as the relevant requirements of the Texas Internal Auditing Act ("TIAA"). Listed below are our observations:

- IIA Standards – Based on our work, overall IA generally conforms. We did identify process enhancement opportunities.
- GAGAS – Our assessment of GAGAS was limited, based on IA's disclosure that no internal audits were performed during our assessment period under GAGAS. Based on our work, we did not identify conformance observations. We did identify process enhancement opportunities.
- TIAA requirements – Other than the observations related to IIA Standards and GAGAS, no other observations were identified during our work.

Our services were performed and this report was developed in accordance with our contract dated February 18, 2014 and are subject to the terms and conditions included therein. Our Services were performed in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants ("AICPA"). Accordingly, we are providing no opinion, attestation or other form of assurance with respect to our work and we did not verify or audit any information provided to us. Our work was limited to the specific procedures and analysis described herein and was based only on the information made available through April 4, 2014, when field work was substantially completed. Accordingly, changes in circumstances after this date could affect the findings outlined in this Report. This information has been prepared solely for the use and benefit of, and pursuant to a client relationship exclusively with The University of Texas System Administration. PwC disclaims any contractual or other responsibility to others based on its use and, accordingly, this information may not be relied upon by anyone other than The University of Texas System Administration and UT El Paso.

We would like to offer a sincere thank you to you and your staff, and the Internal Audit Committee and management of UT El Paso, for the time and attention they provided during this assessment. We appreciate the opportunity to serve The University of Texas System Administration on this important engagement.

Very truly yours,

A handwritten signature in black ink, appearing to read "PricewaterhouseCoopers", with a stylized flourish at the end.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP, 1201 Louisiana, Suite 2900, Houston, TX 77002-5678  
T: (713) 356 4000, F: (713) 356 4717, [www.pwc.com/us](http://www.pwc.com/us)

Information contained herein is for the sole benefit and use of PwC's Client

## **VI. a – Internal Audit Plan for Fiscal Year 2016**

As required by the State Auditor's Office guidelines, the following projects on the Fiscal Year 2016 address the contract management and other requirements of Senate Bill 20 (84<sup>th</sup> Legislature):

- Purchasing (including non-purchase order and ProCard)
- Contract Practices (Sole Source)

The audit entitled "Benefits Proportionality by Fund" addresses expenditure transfers and other limitations or restrictions in the General Appropriations Act.

# **THE UNIVERSITY OF TEXAS AT EL PASO**

## **Office of Auditing and Consulting Services**



### **2016 Audit Plan**

*Approved by Internal Audit Committee  
July 8, 2015*



The University of Texas at El Paso  
Office of Auditing and Consulting Services  
2015-2016 Annual Audit Plan

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Dr. Stephen Riter, Vice President for Information Resources and Planning  
Dr. Roberto Osegueda, Vice President for Research  
Dr. Gary Edens, Vice President for Student Affairs  
Dr. Howard Daudistel, Interim Provost and Vice President for Academic Affairs  
Ms. Sandra Vasquez, Assistant Vice President for Institutional Compliance and EEO

**University of Texas System**

Dr. Steven Leslie, Executive Vice Chancellor for Academic Affairs  
Mr. Alan Marks, Attorney, Office of Academic Affairs  
Mr. Mark Salamasick, Executive Director, Audit Academic  
Mr. J. Michael Peppers, Chief Audit Executive

**External**

Governor's Office of Budget  
Mr. Ed Osner, Legislative Budget Board  
Internal Audit Coordinator, State Auditor's Office  
Sunset Advisory Commission

**External Audit Committee Members**

Mr. David Lindau, Chair  
Mr. Steele Jones, External Member

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## **OVERVIEW**

In accordance with the Texas Internal Auditing Act, The University of Texas System Administration Policy UTS129 – 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 2016. The 2016 Audit Plan is a description of the internal audit activities that will be performed by the Office of Auditing and Consulting Services (OACS) in Fiscal Year 2016.

The process of preparing the 2016 Audit Plan included identifying those areas that are considered the most important and ensuring that activities with the greatest risk are audited. The Internal Audit Committee reviewed and approved the 2016 Audit Plan. Members of the Internal Audit Committee provided input, as did Deans and Department Directors/Chairs, where appropriate. The Internal Audit Committee is comprised of the following members:

- Mr. David Lindau, External Member and Chair of the Internal Audit Committee
- Mr. Steele Jones III, External Member
- Dr. Diana Natalicio, President
- Dr. Howard C. Daudistel, Provost, Vice President for Academic Affairs
- Dr. Stephen Riter, Vice President for Information Resources and Planning
- Dr. Roberto Osegueda, Vice President for Research
- Mr. Richard Aauto III, Executive Vice President

Input was also received from Mr. Gerard Cochrane, Chief Information Security Officer; Ms. Sandra Vasquez, Assistant Vice President, Compliance Services; Ms. Amanda Vasquez, Assistant Vice President, Enrollment Services; Ms. Manuela Dokie, Assistant Vice President for Research; Ms. Tessy Rappe, Director/Associate Comptroller, Accounting and Business Services; Ms. Guadalupe Gomez, Director, Contracts and Grants Accounting; Mr. Jose Ramirez, Assistant Manager, Contracts and Grants Accounting; Mr. William Dethlefs, Director for the Center for Accommodations and Support; Mr. David Kooger, Director of Compliance, Department of Athletics; Ms. Christine Pineda, Director of Advancement Services and Mr. Ron Williams, Associate Director, Financial Aid. The Internal Audit Committee members, these individuals, and selected members of their staff, provided information relative to their specific areas of responsibility.

## ***RISK ASSESSMENT AND AUDIT PLAN DEVELOPMENT***

The Institute of Internal Auditors' International Professional Practices Framework (IPPF) requires that internal auditors develop a risk based audit plan that is in alignment with organizational goals. A top down approach was used to identify risk factors with a high degree of correlation with strategic business objectives. Prior audit plans, organizational charts, the annual financial report (AFR), budgeted hours (Exhibit C); various risk assessments, and a five-year history of audit activity (Exhibit D) were also reviewed to create a comprehensive risk list.

The final risk list was created by identifying processes with critical and high risks to be included in the Annual Audit Plan. Some critical and high risk areas were not included on the plan due to risk mitigation factors, such as recent internal and external audits (Exhibit E). The final risk list and draft audit plan were reviewed and approved by Associate Vice Chancellor Linda Johnsrud, The UT System Audit Office and The UTEP Internal Audit Committee.

See Exhibit A for the approved FY 2016 Annual Audit Plan.

The audit plan was broken down into eight major categories and sub categories (Exhibit A):

1. Financial
2. Operational
3. Compliance
4. Information Technology
5. Follow-up Audits
6. Development - Operations
7. Development – Initiatives and Education
8. Reserve

Consideration of the following was given in developing the 2016 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.)

### ***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 vulnerability, 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

Please refer to Exhibit B for a detailed review.

A new taxonomy was created for all UT System Academic Institutions in 2015:

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

### **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 will cause the component not to achieve its goals and objectives: it is a “show stopper”

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- MEDIUM – The effect will cause the institution to operate inefficiently and/or expend 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
- Financial/Monetary
- Business/Operations
- Information Technology
- Public Relations
- Reporting and Disclosure
- Strategic
- Compliance

PROBABILITY – The probability that a risk will become reality also has three values:

- CRITICAL/HIGH – An event is inevitable, or there is a great likelihood that an event will occur.
- MODERATE – The risk is neither extremely likely nor highly unlikely. 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

Follow up audits are performed to identify and evaluate management actions implemented in response to a prior audit. 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. An audit is officially closed after all of the implementation of recommendations have been verified and documented by the auditors.

#### Consulting/Management Requests/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 internal and external quality assurance reviews, 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.

#### Carry forward Audits

Carry forward audits are those 2014-2015 Annual Audit Plan audits that are in progress at August 31, 2015.

## **SCOPE OF AUDITS**

The International Professional Practices Framework (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 2016 Annual Audit Plan is described in Exhibit A.



### ***BUDGET AND STAFFING***

The budget for the OACS was prepared in accordance with The UT System Administration and was approved by The UT System Administration and the Board of Regents.

Career development for the staff is a strategic goal of OACS. It is the Director's practice to create a working environment that facilitates career opportunities for the audit staff within and outside the office. OACS will continue its efforts toward developing staff to their highest potential through the performance of operational audits, exposure to high levels of management, and training targeted at non-traditional audit areas and achievement of professional credentialing.

### ***CALCULATION OF FY 2016 AUDIT HOURS***

The Calculation of Available Hours is included in Exhibit C and total direct hours assigned to audits and projects are reflected in Exhibit A.

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FY 2016 Annual Audit Plan – Financial

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Exhibit A

<b>FY 2016 Audit Plan Engagements</b>	<b>Original Budget</b>	<b>Percent of Total</b>	<b>Description</b>
<b>Financial Audits and Projects</b>			
FY 2015 Financial Statement Audit (Year-end)	250		Required annual audit.
FY 2016 Financial Statement Audit (Interim)	100		Required annual audit.
UTS 142.1 Monitoring Plan	150		Required annual audit.
KTEP FM Radio Station	30		Support to external auditor.
Year-end Periodic Cash Counts FY 16	150		Recurring annual audit. Includes interim testing for selected accounts.
<b><i>Risk Based Audits:</i></b>			
<b><i>Carryforward Audits:</i></b>			
Tuition and Fees Management	300		Carryforward from FY 15. 40% completed at FY 15 year-end
Payroll	150		Carryforward from FY 15. 75% completed at FY 15 year-end
Year-end Periodic Cash Counts FY 15	50		Carryforward from FY 15. 50% completed at FY 15 year-end
<b>Financial Subtotal</b>	<b>1180</b>	<b>11.3%</b>	

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FY 2016 Annual Audit Plan – Operational

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Exhibit A.1

<b>FY 2016 Audit Plan Engagements</b>	<b>Original Budget</b>	<b>Percent of Total</b>	<b>Description</b>
<b>Operational Audits and Projects</b>			
President's Travel, Entertainment and University Residence Maintenance Expense Audit	30		Provide support to the UT System auditors performing the audit.
Executive Travel and Entertainment Expense Audit	250		Required annual audit.
PeopleSoft Consulting	450		Support for PeopleSoft post-implementation locally and system-wide.
<b><i>Risk Based Audits:</i></b>			
Contracts and Grants Accounting	350		Focus on reporting and billing procedures.
Student Organization Finances	300		Includes review of student service fee allocation
Facilities Management	300		Building key and access card control.
Purchasing	350		Non-PO purchases, to include ProCard.
Contract Practices	400		Sole Source Contract Practices
<b><i>Carryforward Audits:</i></b>			
Athletics Employee Conduct and Student Welfare	75		Carryforward from FY 15. 70% completed at FY 15 year-end
College of Science Departmental Review (Geology)	75		Carryforward from FY 15. 50% completed at FY 15 year-end
<b>Operational Subtotal</b>	<b>2580</b>	<b>24.8%</b>	

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FY 2016 Annual Audit Plan – Compliance

Exhibit A.2

<b>FY 2016 Audit Plan Engagements</b>	<b>Original Budget</b>	<b>Percent of Total</b>	<b>Description</b>
<b>Compliance Audits and Projects</b>			
Federal Portion of the Statewide Single Audit	60		Assistance to the State Auditor's Office
NCAA Football Attendance Audit	75		Required annual audit.
Joint Admission Medical Program (JAMP)	50		Recurring audit
<b><i>Risk Based Audits:</i></b>			
Benefits Proportionality by Fund	350		Required audit
Title IX	400		Comprehensive Title IX audit which will span several areas across the University.
Sub-Recipient Monitoring	300		Includes third party monitoring, control procedures, review of procedures for deliverables and payments.
Effort Reporting	350		Review of the effort certification process, to include the ECRT reporting tool.
<b><i>Carryforward Audits:</i></b>			
THECB Facilities Audit	100		Not on original plan; UTEP selected for audit by THECB in FY15. 50% completed at FY 15 year-end.
<b>Compliance Subtotal</b>	<b>1685</b>	<b>16.2%</b>	

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FY 2016 Annual Audit Plan - Information Technology

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Exhibit A.3

<b>FY 2016 Audit Plan Engagements</b>	<b>Original Budget</b>	<b>Percent of Total</b>	<b>Description</b>
<b>Information Technology Audits and Projects</b>			
<i><b>Risk Based Audits:</b></i>			
Cloud Computing	400		Identification of what is stored; review of policies, procedures and guidelines; selection process of vendor or cloud provider .
Back-up Recovery of Network Servers and Data	350		Focus on offsite back-up restoration, recovery plans and processes; regulatory requirements.
Information Security and Data Integrity-Distributed Information	350		Focus on security controls and standards for decentralized technology units; Information security remediation and compliance activities.
<b>Information Technology Subtotal</b>	<b>1100</b>	<b>10.6%</b>	

Exhibit A.4

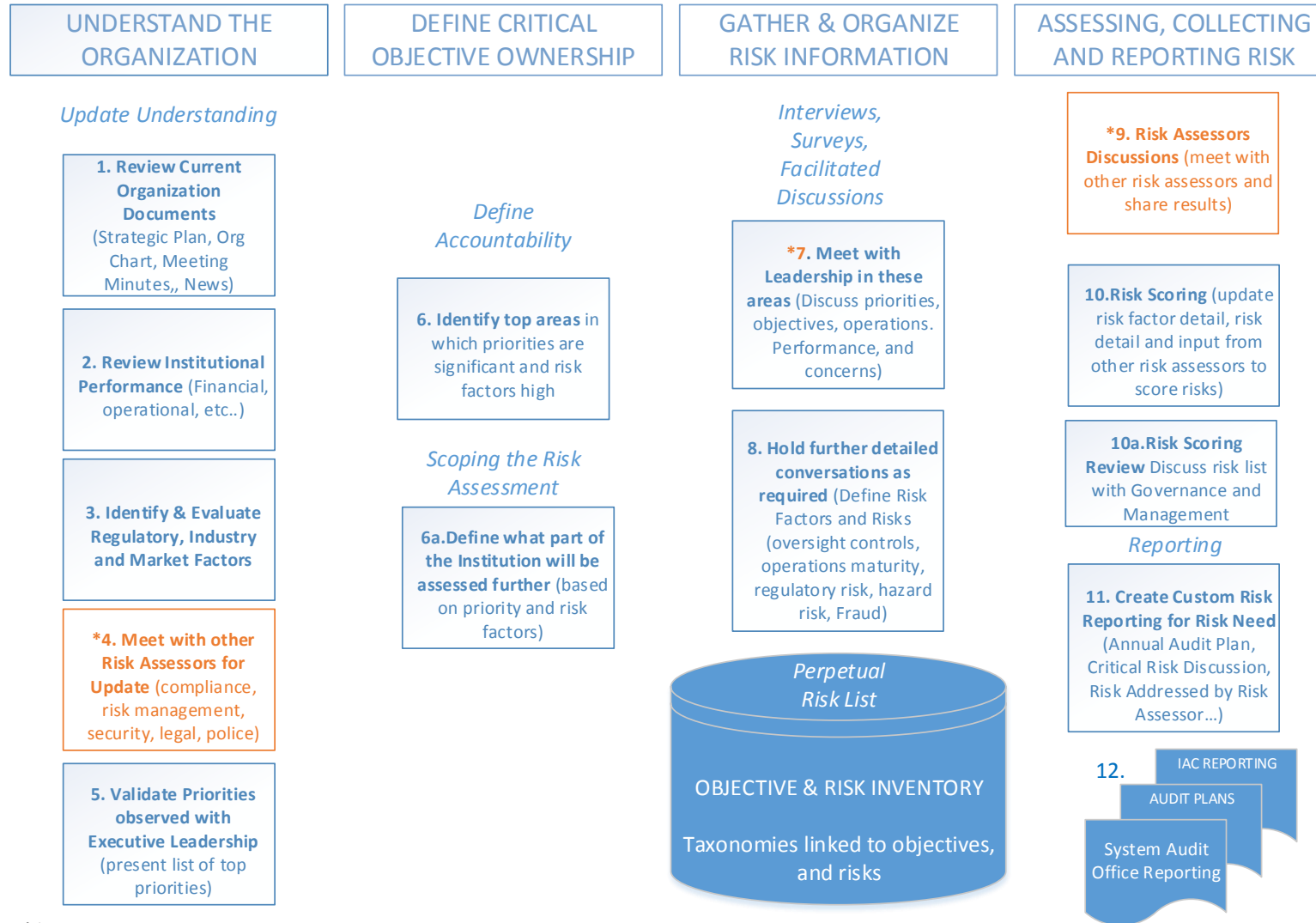
<b>FY 2016 Audit Plan Engagements</b>	<b>Original Budget</b>	<b>Percent of Total</b>	<b>Description</b>
<b>Follow Up</b>			
Follow-up	525		
<b>Follow Up Subtotal</b>	<b>525</b>	<b>5.0%</b>	
<b>Development - Operations</b>			
Internal Quality Assurance and Improvement Program activities	175		As Requested
Annual Audit Plan development, including risk assessments	200		Preparation of FY 17 Risk Assessment and Audit Plan.
UT System, SAO, etc. reporting/requests	100		Responses to requests for information from UT System and Texas State Auditors.
TeamMate, IDEA, website development/maintenance, Tableau	300		Non-project related development/maintenance.
Internal Audit Committee preparation/participation, Institutional committee/council/etc.	150		Preparation of presentation documents for Institutional Audit Committee meetings; meetings with external audit committee members.
Training provided by internal audit to institutional departments/employees/etc. (NEO)	75		New Employee Orientation Trainings and others as requested
Staff meetings related to the management of the audit activity, such as a meeting to discuss updates/status of multiple engagements, etc.	350		Monthly staff meetings and status update meetings as needed.
Annual Internal Audit Report	30		Preparation of Annual Internal Audit Report for FY 16
Annual Reviews/Evaluations	40		Preparation of Self-Appraisals and Evaluations
<b>Development - Operations Subtotal</b>	<b>1420</b>	<b>13.6%</b>	

Exhibit A.4

<b>FY 2016 Audit Plan Engagements</b>	<b>Original Budget</b>	<b>Percent of Total</b>	<b>Description</b>
<b>Development - Initiatives and Education</b>			
Workgroup Initiatives	75		Policies and Procedures project team
Professional organization/association participation	250		Participation as members and board members of IIA, ACFE, AGA and TSCPA
Individual Continuing Professional Development (CPE) Training	484		Continuing Professional Development for Staff Members
<b>Development - Initiatives and Education Subtotal</b>	<b>809</b>	<b>7.8%</b>	
<b>Reserve</b>			
Consulting/Management Requests	514		As hours are assigned to specific projects, they will be transferred to the appropriate category.
Investigations	500		As hours are assigned to specific projects, they will be transferred to the appropriate category.
Reserve for Audit of Emerging Risks	100		As hours are assigned to specific projects, they will be transferred to the appropriate category.
<b>Reserve Subtotal</b>	<b>1114</b>	<b>10.7%</b>	
<b>Total Budgeted Hours</b>	<b>10413</b>	<b>100.0%</b>	

## Exhibit B

### INTERNAL AUDIT RISK ASSESSMENT PROCESS “Capturing Critical Risks”



**\*RISK COLLABORATION – INTERNAL AUDIT – COMPLIANCE – LEGAL – RISK MANAGEMENT – IT SECURITY– HR– POLICE**  
Discovering, responding to and educating on risk



Exhibit C

Calculation of Available Hours					
	CAE Director	Management Team	Staff	Total	%
Audit Hours*	1,128	0	9,285	<b>10,413</b>	72%
Non-Audit Hours:					
General Administration	512	0	954	1,466	10%
Holidays	112	0	672	784	5%
Vacation & Sick Leave	328	0	1,569	1,897	13%
Total Available Hours	2,080	0	12,480	<b>14,560</b>	100%
<b>*Note: Audit hours now include Training/CPE hours, which was a separate row under General Administration in past years.</b>					
Calculation based on 7 FTEs (Current Staff). Gross FTE number is 10.					

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Exhibit D

5 Year Audit History					
Audits	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<i>President</i>					
<b>Intercollegiate Athletics</b>	A/S	A/S	A/S	A/S	A/S
-Athletics Receivables					
-Athletics Summer Camps	A	A	A	A	
-Athletics Business Plan					
<b>President's Office</b>	S	S	S	S	S
<i>Provost</i>					
<b>Academic Affairs</b>					
<b>Continuous Auditing</b>					S
<b>Faculty Textbooks</b>					S
<b>College of Business Administration</b>					
-Accounting					
-Economics and Finance					
-Information and Decision Sciences					
-Marketing and Management					
-Dean's Office					
<b>College of Education</b>					
-Teacher Education	F				
-Educational Leadership					
-Educational Psychology					
-Dean's Office					A/F
<b>College of Engineering</b>					
-Civil Engineering					
-Computer Science					
-Electrical and Computer Engineering					
-Engineering Programs					
-Mechanical and Industrial Engineering					
-Metallurgical and Materials Engineering					
-Dean's Office	F				
<b>College of Health Sciences</b>			A		
-Continuing Education in Nursing					
-Institute for Border Health					
-School of Allied Health					
-Kinesiology Department				S	

**Legend:** I-Inventory Audit  
P-Hourly Payroll Audit  
C-Internal Control Audit  
F-Follow Up Audit  
A-All Other Audits  
S-Special Requests  
E-External Audits

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Exhibit D.1

5 Year Audit History					
Audits	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
-School of Nursing	F	F		F	A
- Occupational Therapy					
- Physical Therapy					
-Student Health Center	F			A	A/F
-Dean's Office					
<b>College of Liberal Arts</b>					
-African-American Studies					
-Art					
-Asian Studies					
-Chicano Studies					
-Communication					
-Criminal Justice					
-English		S			
-History					
-KTEP-FM Radio Station	E	E	E	E	E
-Languages and Linguistics					
-Military Science					
-Music					
-Oral History					
-Philosophy					
-Political Science					
-Psychology					
-Religious Studies					
-Social Work					
-Sociology and Anthropology					
-Theatre Arts					
- Western Cultural Heritage					
-Women's Studies					
-Dean's Office		A		F	
<b>College of Science</b>					
-Biological Sciences				S	S
-Chemistry				S	S
-Geological Sciences				S	S
-Mathematical Sciences	F	F			
-Physics					
-Dean's Office				C	
University College	S				

**Legend:** I-Inventory Audit  
P-Hourly Payroll Audit  
C-Internal Control Audit  
F-Follow Up Audit  
A-All Other Audits  
S-Special Requests  
E-External Audits

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Exhibit D.2

5 Year Audit History					
Audits	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>Graduate School</b>	F				
<b>Technology Planning and Distance Learning</b>					
<b>Center for Law and Border Studies</b>	A	F		S	
<b>VPAA's Office</b>					
<b>Family Education and Privacy Act (FERPA)</b>			A		
<b>Enrollment Services</b>					
-Financial Aid		E	E	A	
-Registrar's Office		F		A	
-Undergraduate Admissions and Recruitment					
-Texas Success Initiative					
JAMP	A		A		
<b>VPRSP</b>					
-Center for Environmental Resource Management					
-Center for Study of Western Hemispheric Trade					
-IM <sup>3</sup> /Texas Center					
-MIE					
-NSF/USI					
Norman Hackerman ATP	F	A			
-TAME					
-TMAC					
-Americorps					
-Socorro Mission Restoration					
-Human Subject Research		A			
-Animal Research	F				
-Time & Effort Reporting	A/F				
-Contracts & Grants Accounting		A			
-Cost Sharing					
Export Controls	A	F		A	
-Research Compliance			A	F	
-BSL3 Lab			A	F	
-Sub-recipient Monitoring of Grants				A	
Ctr for Defense Systems Research and Nat Ctr for Border Sec & Imm	A				
<b>VPRSP's Office</b>					

**Legend:** I-Inventory Audit  
P-Hourly Payroll Audit  
C-Internal Control Audit  
F-Follow Up Audit  
A-All Other Audits  
S-Special Requests  
E-External Audits

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Exhibit D.3

5 Year Audit History					
Audits	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>VPBA</b>					
<b>Annual Financial Report</b>	A	A	A	A	A
-Accounts Receivable					
-Auxiliary Enterprise Fund					
-Gifts				A	
-Investments					
-Tuition and Fees		S	A	A	A
-Year End Inventory and Cash Counts	S	S	S	S	S
<b>Auxiliary Services and Continuing Education</b>					
-Food Services					
-Various Cash Counts					
-Inventory Count					
-Professional and Continuing Education					
-Special Events and Union Programs					
-University Bookstore					
-University Ticket Center					
<b>Facilities Services</b>	A	F/A			S
<b>Financial Services</b>					
-Accounts Payable				F	A
-Budgeting Office					
-Contracts and Grants Accounting			A		
-General Accounting					S
-Payroll		A			A
-Benefits Proportionality by Fund					A
-Conflict of Interest	F				
-Student Business Services					
-Utilities, Energy Management			A	F	
ARRA	A				
<b>Purchasing and Materials Management</b>					
-Mail Services					
-Procurement Card			A	F	A/F
-Print Shop					
Miner Mall		A			
-Contract and Bid Processes					
<b>VPBA's Office</b>					

**Legend:** I-Inventory Audit  
P-Hourly Payroll Audit  
C-Internal Control Audit  
F-Follow Up Audit  
A-All Other Audits  
S-Special Requests  
E-External Audits

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FY 2016 Annual Audit Plan

Exhibit D.4

5 Year Audit History					
Audits	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<i>EVP</i>					
<b>Institutional Advancement</b>					
-Alumni Relations					
-Scholarships					
-University Development					
-University Communications					
-University Relations					
-Conference Services					
<b>Human Resource Services</b>	A	F			
-Faculty Visas			A	A	
-Staff Visas					A
Dependent Eligibility		A			
<b>Institutional Compliance</b>		A		A	
-Contracts and Grants					
-Financial Aid					
-Intercollegiate Athletics					
-WAC Review/CUSA Review					
-Segregation of Duties and Reconciliation of Accounts					
-Student FICA					
-Institutional Compliance Office	A				
-Fixed Assets					
<b>Auditing and Consulting Services</b>				E/A	
<b>Environmental Health and Safety</b>					
<b>University Police</b>			A		
<b>Emergency Management Plan</b>			A		F
<b>VPJA's Office</b>					
<b>Equal Opportunity/Affirmative Action Office (EO/AA)</b>					
<i>VPJA</i>					
<b>Outreach Programs</b>					
<b>Student Development</b>					
-Counseling Services		A			
-Dean of Students Office					
-Student Publications					
-Housing System					
-International Programs			A		
-PASE Program					
-Study Abroad Program					

**Legend:** I-Inventory Audit  
P-Hourly Payroll Audit  
C-Internal Control Audit  
F-Follow Up Audit  
A-All Other Audits  
S-Special Requests  
E-External Audits

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Exhibit D.5

5 Year Audit History						
Audits	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	
-Recreational Sports						
-Student Government Association						
-Student Development						
<b>Union Services</b>						
<b>Student Support Services</b>		F				
<b>VPESA's Office</b>						
<i>VPIRP</i>						
-Digital Media Center						
<b>Library</b>						
-Library Copy Center						
<b>Information Technology</b>						
-CIO						
-Information Technology Services	F					
-Customer Technology Services						
-Networking and Telecommunication Services						
-General Controls	F					
-Goldmine (Student Information System)						
-IT Travel						
-IT Furniture						
-IT Change Management	F					
-IT Security	F	A	A	A	A	
Payment Card Industry	A	F				
Digital Research Data						
Laptop Encryption			A	A	F	
IT Inventory			A	A	F	
Server Inventory	S					
<b>Center for Institutional Evaluation Research and Planning</b>						
<b>PeopleSoft Implementation</b>			S	S	S	
<b>Executive Travel and Entertainment</b>				A	A	

**Legend:** I-Inventory Audit  
P-Hourly Payroll Audit  
C-Internal Control Audit  
F-Follow Up Audit  
A-All Other Audits  
S-Special Requests  
E-External Audits

The University of Texas at El Paso  
FY 2016 Annual Audit Plan  
High Risks not Covered on Audit Plan

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Exhibit E

Risk Description	Impact	Probability	Mitigation
Athletics Recruiting	H	M	Compliance Risk Management Plan
Athletics Infractions	H	M	Compliance Risk Management Plan
Athletics Annual Financial Audit	H	H	UT System Audit
Financial Aid Cash Management/Draw Down	H	M	SAO, Compliance Risk Management
Special Programs-Students with Disabilities	H	H	Training and Awareness Programs



## **VII. External Audit Services Procured in Fiscal Year 2015**

1. The firm of Stockton, Scurry & Smith, P.C., was engaged to perform the audit for fiscal year 2015 of the KTEP FM radio station located on the UTEP campus. The audit was required by The Corporation for Public Broadcasting to enable UTEP to continue receiving grant funding from that organization.
2. The firm of Deloitte & Touché LLP was engaged to perform the Fiscal Year 2015 audit required for the Southern Association of Colleges and Schools (SACS) accreditation reaffirmation. SACS requires a stand-alone audit of the institution seeking reaffirmation.

## **VIII. Reporting Suspected Fraud and Abuse**

The University of Texas at El Paso has independent organizations that implement the requirements of Section 7.09, Fraud Reporting, General Appropriations Act (83<sup>rd</sup>. Legislature, Conference Committee Report) Article IX and Texas Government Code, Section 321.022. 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:

- **Section 7.09, Fraud Reporting,** General Appropriations Act (83<sup>rd</sup>. Legislature, Conference Committee Report) Article IX: The University has a Hotline link on the home page website as a direct link to the State Auditor's web page for reporting fraud, waste and abuse in Texas. In addition there is a Hotline web site compliance module that may be accessed by all faculty staff and student employees that outline the process for reporting and provides information to access the SAO fraud reporting site.
- **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.