

The University of Texas at El Paso

Office of Auditing and Consulting Services



Internal Audit Annual Report
Fiscal Year 2024



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

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DATE: October 31, 2024

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

FROM: Courtney Rios, Chief Audit Executive, Office of Auditing and Consulting Services

SUBJECT: The University of Texas at El Paso Internal Audit Annual Report for Fiscal Year 2024

Attached please find The University of Texas at El Paso Internal Audit Annual Report for Fiscal Year 2024 as required by the Texas Internal Auditing Act. If you have questions or need additional information, please contact Courtney Rios at chrios@utep.edu.

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Purpose of Internal Audit Annual Report

The purpose of the annual report is to provide information about the Office of Auditing and Consulting Services' (OACS) assurance services, consulting services, and other activities of the internal audit function. In addition, the annual report assists oversight agencies in their planning and coordination efforts.

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

The annual report was prepared using the [guidelines](#) provided by the SAO. Additional information regarding OACS can be found at the following website: <https://utep.edu/audit>.

I. Compliance with Texas Government Code, Section 2102.015

In accordance with Texas Government Code, Section 2102.015, the following information is posted on the website <https://www.utep.edu/audit>

- The approved Fiscal Year 2025 Audit Plan, as required by Texas Government Code, Section 2102.008, (included in the Internal Audit Annual Report) and
- The Fiscal Year 2024 Internal Audit Annual Report, as required by Texas Government Code, Section 2102.009.

Posting Requirements

As stated in Sec. 2010.015 (c), the Office of Auditing and Consulting Services (OACS) does not post information contained in the agency's internal audit plan or annual report if the information is excepted from public disclosure under Chapter 552.

The following information is provided to address the requirements of Sec. 2010.015 (d):

- OACS submits its audit reports to The UT System Audit Office for posting on its [website](#). Each audit report is presented to the UTEP Institutional Audit Committee. A summary of audit findings (including weaknesses, deficiencies, employee wrongdoing, waste, opportunities to improve efficiency or effectiveness, as well as other concerns) is included in each report. Audit findings are evaluated using a standardized and defined risk threshold. If an audit report is deemed confidential by the UT System General Council's Office, a summary report is issued in place of the detailed report.

The following information is provided to address the requirements of Sec. 2010.015 (e):

- OACS includes a summary of the actions taken or planned to address each of the reported findings. In addition, the OACS has a process to follow-up on audit findings to ensure appropriate action is taken. On a quarterly basis, the Chief Audit Executive (CAE) meets with the Internal Audit Committee and the President's Cabinet to discuss pending audit recommendations.
- Prior to the meeting, the CAE sends a report to the appropriate Vice Presidents (VPs). That includes all Open/In Progress recommendations. After the VPs provide an update, follow-up fieldwork is conducted to determine if corrective action has been taken.

II. Internal Audit Plan for Fiscal Year 2024

Project Number	Project Name	Status of Plan at 8/31/24	Report/Memo Date
Assurance Engagements			
22-102	Decentralized IT Asset Purchases	Completed	2/14/2024
24-100	Backup and Recovery	Completed	1/24/2024
24-101	After the Fact Payroll Certification	Postponed	
24-102	Clery Act	Completed	8/21/2024
24-103	Internally Developed Applications	Postponed	
24-104	Miner Mall	Completed	3/18/2024
24-105	Motor Pool	Postponed	
24-108	Student Notice of Awards	Postponed	
24-109	Third-Party Risk Management	Postponed	
24-110	UTS 142 Monitoring Plan	Completed	5/28/2024
24-111	Texas Education Code §51.3525 (SB 17) Compliance	Completed	8/12/2024
Carry Forward Audits			
24-107	Student Employment	Carry Forward Hours to FY25	
24-106	Research Equipment	Carry Forward Hours to FY25	
Advisory and Consulting Engagements			
24-300	Access Management Consulting	Completed	9/11/2024
24-301	Advisory Management Requests	As Requested	
24-302	Cash Fund Operations	Completed	8/28/2024
24-303	IT Advisory Management Requests	As Requested	
24-304	PeopleSoft Consulting	Ongoing	
24-305	Recharge Center Consulting	Completed	9/11/2024
24-306	Research Security Consulting	Cancelled	
24-307	Security Assessment Working Group	Ongoing	
24-308	Executive Travel Advisory	Completed	12/14/2023
24-309	Dinner Theatre Advisory	Completed	4/25/2024
24-310	TEC 51.3525 (SB 17) Advisory	Completed	5/20/2024
Required Engagements			
24-200	Federal Portion of Statewide Single Audit	Client Assist Duties	
24-201	FY 2023 Financial Statement Audit (Final)	Results included in the FY 23 UT System consolidated annual financial report (CAFR)	
24-202	FY 2024 Financial Statement Audit (Interim)	Results included in the FY 24 UT System consolidated annual financial report (CAFR)	
24-203	KTEP	Client Assist Duties	
24-204	NCAA Agreed Upon Procedures	Client Assist Duties	
24-205	Purchasing Compliance	Completed	4/22/2024

Internal Audit Plan for Fiscal Year 2024 - *Continued*

Project Number	Project Name	Status of Plan at 8/31/24	Report/Memo Date
	Investigations		
24-400	Investigations	As Requested	
	Follow-Up Audits		
24-500	Follow-Up Audits	21 Follow-Up Projects completed in FY 24	
	Reserve		
24-600	Reserve for Audit of Emerging Risks		
	Development - Operations		
24-700	Annual Audit Plan Development, including Risk Assessment		
24-701	Annual Internal Audit Report		
24-702	Annual reviews/evaluations		
24-703	Internal Audit Committee preparation/participation		
24-704	Internal Quality Assurance and Improvement Program Activities		
24-705	Software, website development/maintenance		
24-706	Staff meetings related to the management of the audit activity		
24-707	UT System, SAO, etc. reporting/requests; External Audit Assist		
	Development - Initiatives and Education		
24-800	eCASE audit software implementation and training		
24-801	CPE Training		
24-802	Internal Auditing Education Partnership Program (IAEP) Student Program		
24-803	Non-CPE Training		
23-804	Professional organization/association participation		
24-805	Work Group Initiatives		

II.a. Deviations from Fiscal Year 2024 Audit Plan

#	Projects Cancelled	Reason for Change
1	Research Security Consulting	Cancelled per client request.
#	Projects Postponed	Reason for Change
1	Third-Party Risk Management	Reduction in direct hours due to departure of two auditors.
2	Internally Developed Applications	
3	Student Notice of Awards	
4	Motor Pool	Postponed to allow for operational changes in FY 2024 to take effect.
5	After the Fact Payroll Certification	Postponed to allow for the implementation of the new payroll certification process within PeopleSoft in FY 2024.
#	Added Projects	Reason for Change
1	Texas Education Code §51.3525 (SB 17) Compliance	UT System Request.
2	Executive Travel Advisory	Management Request.
3	Dinner Theatre Advisory	Management Request.
4	TEC 51.3525 (SB 17) Advisory	Management Request.

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

Effective September 1, 2015, Texas Education Code §51.9337(h) requires that, “*The chief auditor of an institution of higher education shall annually assess whether the institution has adopted the rules and policies required by this section and shall submit a report of findings to the state auditor.*”

The Office of Auditing and Consulting Services conducted this required assessment for Fiscal Year 2024, and found the following:

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

Texas Government Code Section 2261.258 requires the State Auditor’s Office to assign contract monitoring ratings each fiscal year for the 25 largest state agencies as identified by the Legislative Budget Board. Although we are not part of the 25, we considered contract processes, controls, and monitoring in our risk assessment process for the Fiscal Year 2024 Audit Plan.

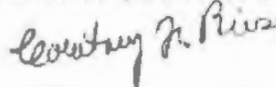
See Audit 24-205 Purchasing Compliance memo (TEC §51.9337) on following page:



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Services

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DATE: April 22, 2024
TO: Dr. Heather Wilson, President, The University of Texas at El Paso
FROM: Courtney H. Rios, Interim Chief Audit Executive, Office of Auditing and Consulting Services
SUBJECT: 24-205 Purchasing Compliance



Background: The Office of Auditing and Consulting Services (OACS) is required to annually assess and report on the University's compliance with the Texas Education Code (TEC) related to purchasing and contracting per TEC §51.9337.

TEC §51.9337 states, "The chief auditor of an institution of higher education shall annually assess whether the institution has adopted the rules and policies required by this section and shall submit a report of findings to the state auditor."

Audit Objectives and Scope:

The objective is to ensure The University of Texas at El Paso (UTEP) purchasing and contracting policies and procedures comply with the TEC §51.9337 requirements below:

- A contract management handbook with consistent guidance on contract review.
- Procedures and risk analysis procedures.
- Delegation of contracting authority.
- Training for purchasing and contracting staff.
- Code of ethics, standards of conduct, and policies on conflicts of interest, conflicts of commitment, outside activities, and institutional resources and training.
- Fraud investigation policies and internal audit risk assessment processes.

The audit scope included a review of documents, current policies, and procedures related to contracting and purchases during Fiscal Year 2024. Our procedures did not include testing compliance with the policies and procedures.

The engagement was conducted in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and *Generally Accepted Government Auditing Standards*.

Results:

UTEP policies and procedures comply with the requirements in TEC §51.9337. This certification will be included in the Internal Audit Annual Report to the State Auditor's Office as required under Texas Government Code §2102.

Report Distribution:

University of Texas at El Paso:

Ms. Andrea Cortinas, Vice President and Chief of Staff

Mr. Mark McGurk, Vice President for Business Affairs

Dr. Diane N. De Hoyos, Associate Vice President, Purchasing and General Services

Ms. Mary Solis, Director/ Chief Compliance and Ethics Officer, Office of Institutional Compliance

University of Texas System (UT System):

System Audit Office

External:

Governor's Office of Budget, Planning and Policy

Legislative Budget Board

Internal Audit Coordinator, State Auditor's Office

Audit Committee Members:

Mr. J. Stephen DeGroat

Dr. John Wiebe

Mr. Fernando Ortega

Mr. Daniel Garcia

Ms. Guadalupe Gomez

Auditor Assigned to the Audit:

Joanna Tapia, Sr. Internal Auditor

III. Consulting Services and Nonaudit Services Completed

Report Number and Name	Report Date	Objective(s)	Results/Recommendations	Management Responses / Action Plan
Continuous Auditing: Duplicate Payments (ongoing project)	N/A	The Office of Auditing and Consulting Services (OACS) uses data analytics tools to identify potential duplicate payments for employee reimbursements. We analyze and report to Financial Services for follow-up.	OACS issues a quarterly report with all verified duplicate payments.	Accounts Payable requests immediate reimbursement for all verified duplicate payments.
#24-302 - Cash Fund Operations	8/28/2024	The objective was to verify the existence and accuracy of the change fund balances recorded in PeopleSoft cost centers.	OACS performed a cash count for four out of eleven authorized change funds representing 90% of the total of the authorized funds. Based on the cash custodians' responses to the internal control questionnaire, OACS recommended that cash handling training be offered more frequently to employees.	Management agreed with the recommendations presented in the memo.
#24-300- Access Management Consulting	9/11/2024	The objectives of this advisory engagement were to facilitate a review of critical security roles in PeopleSoft, highlight potential segregation of duties conflicts in the accounts payable process, and advise management on how to reduce the related risks.	OACS shared detailed information about the results of procedures performed with management.	Management will review results and determine appropriate action.
#24-305- Recharge Center Consulting	9/11/2024	The objective of this advisory engagement is to gain an understanding of current recharge center operations so the University can determine if guidance and training are adequate to ensure compliance with federal regulations and standards.	OACS shared detailed information about the results of procedures performed with management.	Management will review results and determine appropriate action.
#24-308- Executive Travel Advisory	12/14/2023	The objective of this advisory engagement was to help create a baseline of PeopleSoft job codes that should require secondary approval for executive travel.	OACS identified twenty-seven executive-level positions/job codes that meet the definition of "executive." In addition, six staff members were identified for additional consideration.	Management will review results and determine appropriate action.
#24-309- Dinner Theatre Advisory	4/25/2024	The objective of this advisory engagement was to analyze areas of concern for the client which included funding and expenditures, scholarships, and benefit to students.	OACS shared detailed information about the results of procedures performed with management.	Management will review results and determine appropriate action.
#24-310- TEC §51.3525 (SB 17) Advisory	5/20/2024	The objective of this advisory was to review the institution's compliance efforts with Texas Education Code §51.3525 and UTS 197.	OACS shared detailed information about the results of procedures performed with management.	Management will review results and determine appropriate action.

IV. External Audit Services Procured

Peña Briones McDaniel & Co., an El Paso firm, was engaged to perform the audit for Fiscal Year 2023 of the KTEP FM radio station located on The University of Texas at El Paso campus. The audit is required by The Corporation for Public Broadcasting to enable The University of Texas at El Paso to continue receiving grant funding from that organization.

Weaver and Tidwell LLP conducted an independent audit of the Agreed Upon Procedures (AUP) for the Cancer Prevention & Research Institute of Texas (CPRIT) grant awards to the University.

Organizations receiving grants from CPRIT must engage an independent auditor to verify and document their compliance with CPRIT's requirements: either a single audit under Uniform Guidance or agreed-upon procedures following published CPRIT guidance and American Institute of Certified Public Accountants (AICPA) attestation standards. The University selected the AUP option.



V. External Quality Assurance Review (Peer Review)



December 2023

Ms. Courtney Hearin Rios, Interim Chief Audit Executive
University of Texas at El Paso

In September 2023, the University of Texas at El Paso (UTEP) internal audit (IA) function, the Office of Auditing and Consulting Services (OACS), completed a self-assessment of internal audit activities in accordance with guidelines published by the Institute of Internal Auditors (IIA) for the performance of a quality assessment review (QAR). UTEP OACS engaged an independent review team consisting of internal audit professionals with extensive higher education experience to perform an independent validation of OACS' QAR self-assessment. The primary objective of the validation was to verify the assertions made in the QAR report concerning IA's conformity to the IIA's *International Standards for the Professional Practice of Internal Auditing* (the IIA Standards) and Code of Ethics, Generally Accepted Government Auditing Standards (GAGAS), and the relevant requirements of the Texas Internal Auditing Act (TIAA).

The IIA's *Quality Assessment Manual* suggests a scale of three ratings, "generally conforms," "partially conforms," and "does not conform." "Generally conforms" is the top rating and means that an internal audit activity has a charter, policies, and processes that are judged to be in conformance with the Standards. "Partially conforms" means deficiencies in practice are noted that are judged to deviate from the Standards, but these deficiencies did not preclude the IA activity from performing its responsibilities in an acceptable manner. "Does not conform" means deficiencies are judged to be so significant as to seriously impair or preclude the IA activity from performing adequately in all or in significant areas of its responsibilities.

Based on our independent validation of the QAR performed by OACS, we agree with OACS' overall conclusion that the internal audit function "Generally Conforms" with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics, as well as with OACS' conclusions regarding GAGAS and TIAA requirements. Our review noted strengths as well as opportunities for enhancing the internal audit function.

This information has been prepared pursuant to a client relationship exclusively with, and solely for the use and benefit of, The University of Texas System Administration and UTEP and is subject to the terms and conditions of our related contract. Baker Tilly disclaims any contractual or other responsibility to others based on its use and, accordingly, this information may not be relied upon by anyone other than The University of Texas System Administration and UTEP.

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

Very truly yours,

Baker Tilly US, LLP

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VI. Internal Audit Plan for Fiscal Year 2025

In accordance with the Texas Internal Auditing Act, The University of Texas System Administration Policy UTS 129 – Internal Audit Activities, and The Institute of Internal Auditors’ International Professional Practices Framework (IPPF) Performance Standards 2010 Planning and 2020 Communication and Approval, we have prepared an audit plan for Fiscal Year 2025. The Internal Audit Committee approved the Fiscal Year 2025 Audit Plan on June 28, 2024.

	FY 2025 Audit Plan	Budget	General Objective/Description
	Assurance Engagements		
1	Export Controls	350	Compliance audit of the export controls processes.
2	Student Stipends	350	Verify that student payments are monitored to (a) ensure payments are allowable and issued to eligible students and (b) verify the appropriate classification of the payments in PeopleSoft.
3	Motor Pool	350	Evaluate the processes in place to ensure the use of vehicles in the motor pool is monitored efficiently and effectively.
4	After the Fact Payroll Certification	350	Test the after the fact payroll certification process to confirm compliance with Uniform Guidance and UTEP Policy.
5	Visiting Scholars	350	Assess the effectiveness of processes for international visiting scholars to determine whether internal controls over visiting scholar appointments, separations, as well as physical and system access were in place and operating effectively. Verify appropriateness of fee expenditures fee to support program.
6	Third-Party Risk Management	400	(Co-source hours will be 300 of 400) Evaluate third-party assessment processes in place to (a) ensure the risk exposure to the University is properly managed and monitored and (b) determine if third-party monitoring controls are in place in accordance with TX-RAMP (TAC 202).
7	Internally Developed Applications	400	(Co-source hours will be 300 of 400) Identify internally developed applications that may integrate with PeopleSoft, Banner, or other mission critical business applications and determine if IT general controls are in place as well as application-level controls for input, processing, and output (TAC 202).
8	Network Drive Access Management	300	To review network share drive access across the different University departments/colleges to ensure access is restricted to users with a business need.
9	Student Employment Part II	250	Determine if effective controls are in place to monitor compliance with applicable laws, regulations and University policy.

Fiscal Year 2025 Audit Plan – Continued

FY 2025 Audit Plan		Budget	General Objective/Description
Assurance Engagements			
Carry Forward Audits			
10	Student Employment Part I		Determine if effective controls are in place to monitor compliance with applicable laws, regulations and University policy.
11	Research Equipment Part I		Confirm that purchased and loaned research project equipment is safeguarded and accurately tracked in PeopleSoft inventory records.
Assurance Engagements Subtotal		3,100	
Advisory and Consulting Engagements			
1	Research Equipment Advisory	250	To provide assistance in identifying and locating federal research equipment to evaluate the completeness and accuracy of property records and reporting.
2	Cash Fund Operations	125	Work with Financial Services to verify PeopleSoft balances, actual cash, and bank balances.
3	Policies and Procedures	250	Review existing Handbook of Operating Procedures to ensure written policies reflect actual practices in preparation for SACS site visit.
4	TEC §51.3525 Advisory	100	Review status of monitoring programs established in FY 2024.
5	Security Assessment Working Group	40	Serve on the Security Assessment Working Group, which will assist the University with preparation for implementation of cybersecurity federal requirements.
6	Advisory Management Requests	300	As requested.
7	IT Advisory Management Requests	175	As requested.
8	Participation on Institutional Committees/Work Groups	60	Participation on search committees, cabinet meeting presentations, etc.
9	Data Analytics/Continuous Auditing Program	129	Develop various data analytics programs and perform continuous review of high-risk areas/ controls and/or areas as requested by management.
10	Recharge Centers Part II	250	Provide advisory services on the Recharge Center policies and processes to determine compliance with federal regulations.
Advisory and Consulting Engagements Subtotal		1,679	

Fiscal Year 2025 Audit Plan – Continued

FY 2025 Audit Plan		Budget	General Objective/Description
Required Engagements			
1	JAMP Audit	100	To determine if the University's JAMP expenditures are appropriate and in compliance with the JAMP Grant Agreement and the JAMP Expenditure Guidelines.
2	Purchasing Compliance*	50	Required annual audit.
3	FY 2025 Financial Statement Audit (Interim)	6	Provide assistance as needed to Deloitte for required annual audit.
4	FY 2024 Financial Statement Audit (Final)	9	Provide assistance as needed to Deloitte for required annual audit.
5	Federal Portion of Statewide Single Audit	10	Provide assistance to the State Auditor's Office for Student Financial Assistance Audit.
6	NCAA Agreed Upon Procedures	10	Assist with required NCAA Agreed Upon Procedures for FY 2024. The UT System Audit Office will use a 3rd party service provider to perform the NCAA agreed upon procedures. (Due 1/15/25)
7	KTEP	10	Support to external auditor.
Required Engagements Subtotal		195	
Investigations			
1	Investigations	350	As requested.
Investigations Subtotal		350	
Reserve			
1	Reserve for Emerging Risks	300	As requested.
Reserve Subtotal		300	
Follow-Up			
1	Follow-Up Audits	200	Follow-up on previous audit recommendations as required by Global IA Standards.
Follow-Up Subtotal		200	

* Addresses TEC §51.9337(h) requirement

Fiscal Year 2025 Audit Plan – Continued

FY 2025 Audit Plan		Budget	General Objective/Description
Development - Operations			
1	Internal Quality Assurance and Improvement Program Activities, including Global IA Standards	200	Work associated with external peer review required every three years to validate conformance to Global IA Standards, GAGAS (Yellow Book) and Texas Internal Auditing Act requirements.
2	Annual Audit Plan Development, including Risk Assessment	350	Preparation of FY 2026 Risk Assessment and Audit Plan.
3	UT System, SAO, etc. reporting/requests; External Audit Assist	100	Meetings; responses for requests for information.
4	Software, website development/maintenance	75	Non-project related development/maintenance and data analytics.
5	Internal Audit Committee preparation/participation	225	Preparation of presentation documents for Institutional Audit Committee meetings; meetings with external Audit Committee members.
6	Staff meetings related to the management of the audit activity	250	Monthly staff meetings, supervisor meetings and status update meetings as needed.
7	Annual Internal Audit Report	50	Preparation of Annual Internal Audit Report for FY 2024.
8	Self-Assessment	100	As required by the Texas Internal Auditing Act and professional standards, conduct the self-assessment of the internal audit function.
Development - Operations Subtotal		1,350	
Development - Initiatives and Education			
1	eCASE audit software implementation and training	175	Participation in implementation and training process for new audit software.
2	Work group initiatives	30	Participation in UT System Audit Initiatives.
3	Professional organization/association participation	30	Participation as members and board members of IIA and ACFE.
4	Individual professional development (CPE) training	360	Continuing Professional Development for Staff Members.
5	Internal Auditing Education Partnership Program (IAEP) Student Program	80	Continue to support IAEP program at the comprehensive level.
6	Non-CPE Training	200	Non-credit campus trainings and new hire training activities.
Development - Initiatives and Education Subtotal		875	
Total Budgeted Hours		8,049	

VI.a. High Risks not in Fiscal Year 2025 Audit Plan

	Risk Description	Impact/ Probability	Mitigation
1	Research Ethics and Integrity	HH	FY 2025 Compliance Risk Management Plan. Follow-up Technology Commercialization Audit in FY 2025.
2	Students with Disabilities	HH	FY 2025 Compliance Risk Management Plan
3	OGC Guidelines for contracts and subcontract	HH	FY 2025 Compliance Risk Management Plan
4	Administration of Contracts, Grants & Cooperative Agreements	HM	FY 2025 Compliance Risk Management Plan
5	Proposal Review	HM	FY 2025 Compliance Risk Management Plan
6	Procurement Card	HM	FY 2025 Compliance Risk Management Plan
7	Enrollment Reporting	HH	FY 2025 Compliance Risk Management Plan
8	Maintenance Operations	HM	THECB Facilities audit.
9	Construction Program Management	HM	External audit conducted by R.L. Townsend & Associates.
10	Special Events	HH	Cash Fund Management advisory and updated Emergency Management Plan.

VI.b. Risk Assessment Methodology

The Fiscal Year 2025 Audit Plan was prepared using The UT System Audit Office's standardized top-down risk assessment methodology. This risk assessment approach started at the top with an awareness of the top risks identified by external sources such as Deloitte and Protiviti, the 2030 UTEP Strategic Plan, critical initiatives and objectives to ensure the risks assessed were the most relevant. The assessment process was standardized by creating common terms and criteria, enabling trending of risk and System-wide comparisons. An emphasis was placed on collaboration with other functions that assess, handle, or manage risk.

The risk assessment process included conversations, surveys, and requests for input from the leadership team and responsible parties from the various operating areas on campus. The following areas were also considered:

- Title I, Texas Administrative Code, Chapter 202 (Information Security Standards)
- Benefits Proportionality, in accordance with Rider 8, page III-5, the General Appropriations Act (88th Legislature), which requires higher education institutions to consider audits of benefits proportionality when developing their annual internal audit plans for fiscal years 2024 and 2025.
- Compliance with processes and controls per TEC §51.9337
- Research Related Risks and Research Funding
- Foreign Influence
- Construction
- Risk Management, Information Security, and Compliance (RISC) Services
- Account Reconciliations/Segregation of Duties
- Travel and Entertainment Expenses
- Diversity, Equity, and Inclusion (DEI) Non-compliance with TEC §51.3525 Responsibility of Governing Boards
- Cybersecurity Training
- TX-RAMP: Texas Risk & Authorization Management Program
- Use of Prohibited Technologies

RANKING CRITERIA

Priority	An issue identified by an internal audit that, if not addressed timely, could directly impact the achievement of a strategic or important operational objective of a UT institution or the UT System as a whole.
High	A finding identified by the internal audit considered to have a medium to high probability of adverse effects to the UT institution either as a whole or to a significant college/school/unit level.
Medium	A finding identified by internal audit considered to have a low to medium probability of adverse effects to the UT institution either as a whole or to a college/school/unit level.
Low	A finding identified by internal audit considered to have minimal probability of adverse effects to the UT institution either as a whole or to a college/school/unit level.

VII. Reporting Suspected Fraud and Abuse

The University of Texas at El Paso has taken the following actions to implement the fraud reporting and the investigation coordination requirements of Section 7.09, page IX-40, the General Appropriations Act (88th Legislature) and Texas Government Code, Section §321.022, respectively.

The General Appropriations Act, 88th Legislature, Sec. 7.09. Fraud Reporting

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

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

The 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.

- The main page of the UTEP website has a direct link to the State Auditor's web page with instructions for reporting fraud, waste and abuse in Texas.
- The UTEP Office of Institutional Compliance manages a confidential Compliance Helpline for all faculty, staff and student employees to anonymously report suspected ethical or inappropriate activity. All reports are investigated and addressed as appropriate. The Office of Institutional Compliance web page provides information to access the State Auditor's Office fraud reporting website.
- The University Handbook of Operating Procedures offers guidelines on the investigation of possible fraudulent activities.

Texas Government Code, Section 321.022. Coordination of Investigations

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

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

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

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.