

Internal Audit Annual Report
Fiscal Year Ending August 31, 2019

as required by The State Auditor's Office

November 1, 2019

Table of Contents

I.	Purpose And Compliance with Texas Government Code, Section 2102.015.....	3
II.	Internal Audit Plan for Fiscal Year 2019 / Summary Of Recommendations And Status From 2019 Audits.....	4
III.	Consulting Services and Non-audit Services Completed.....	18
IV.	External Quality Assurance Review (Peer Review).....	19
V.	Internal Audit Plan for Fiscal Year 2020.....	20
VI.	External Audit Services Procured in Fiscal Year 2019.....	24
VII.	Reporting Suspected Fraud and Abuse.....	25

I. Purpose And Compliance with Texas Government Code, Section 2102.015

Purpose Of The Internal Audit Annual Report

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

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

The annual report was prepared using the guidelines provided by the SAO. Additional information regarding the University of Texas at Arlington's Office of Internal Audit (Internal Audit) can be found at the following website: <http://www.uta.edu/internalaudit/>

Compliance With Texas Government Code, Section 2012.015

In accordance with Texas Government Code, Section 2102.015, Internal Audit has posted the FY 2020 Audit Work Plan on its website (<http://www.uta.edu/internalaudit/annualreports.php>) and will post the FY 2019 Annual Internal Audit Report on the same site upon the report's issuance.

II. Internal Audit Plan for Fiscal Year 2019

Report Number	Report Title	Issued Date/Status
Risk-Based Audits		
	Information Security and OIT Processes for Cyber Protection Audit	(a)
	PeopleSoft Business Process Review of Human Resources	(b)
UTA19-03	PeopleSoft Business Process Review of Grants	October 2019
UTA19-04	PeopleSoft Business Process Review of Accounts Payable and Purchasing	January 2019
	Summer Camps Audit	(c)
	Campus Visitors Audit	(c)
UTA19-07	Lab Safety Audit	June 2019
UTA19-08	Form I-9 and Employment Compliance Audit	September 2019
	College of Nursing and Health Innovation Departmental Review	(a)
	Financial Aid Audit	(a)
	Human Resources Business Processes Review 2	(b)
UTA19-12	FY 2018 UTS 142.1 Assurance Work	September 2019
UTA19-13	NCAA Compliance Audit – Recruiting	September 2019
	Payroll Audit	(a)
Risk-Based Audits: Carry-Forward From Prior Year		
	Process For Budget Versus Actual	(b)
UTA18-CF-LST	NCAA Compliance - Student Financial Aid	December 2018
	IT Governance Audit	(b)
N/A	Human Resources Business Processes Review 1 (Consulting Project)	July 2019 (d)
	Endowment Accounting In PeopleSoft	(b)
UTA18-CF-LST	Travel Department Process Review	January 2019
UTA18-CF-LST	Parking And Transportation Departmental Review	February 2019
UTA18-CF-LST	President's Travel, Entertainment And Residence Maintenance Expenses	November 2018
	Executive's Travel And Entertainment Expenses Audit	(b)

II. Internal Audit Plan for Fiscal Year 2019 *continued*

Report Number	Report Title	Issued Date/Status
Consulting Projects		
	Sponsored Projects Uniform Guidance Consulting	Not Completed
N/A	Reserve for Consulting Project	(d)
N/A	Data Analytics Project	(d)
N/A	Participation on University committees	(d)
N/A	Responding to Institutional Requests	(d)
Reserve		
N/A	Reserve for Unanticipated Audits or Other Activities	(d)
Required Audits (External and/or Internal)		
N/A	FY 2018 NCAA Annual Financial Audit (support for UT System)	(d)
N/A	FY 2018 Annual Financial Report (AFR) Audit	(d)
N/A	FY 2019 Annual Financial Report (AFR) Interim Work	(d)
N/A	Nursing Shortage Reduction Program Awards Audit	(d)
UTA19-18	Senate Bill 20 - Annual Reporting Requirement on Procurement Policies	October 2018
N/A	State Auditor's Office (SAO) Statewide Single Audit	(d)
N/A	Cybersecurity Board Reporting Project	(d)
Investigations		
N/A	Reserve for Investigations	(d)
Follow-Up		
N/A	Quarters 1, 2, 3, and 4	(d)
Development - Initiatives and Education		
N/A	UT System Audit Office Initiatives and Participation	(d)
N/A	Institutional Strategic or Other Initiatives	(d)
N/A	Professional Organization and Association Participation	(d)
N/A	Individual Continuing Professional Education (CPE) Training	(d)

II. Internal Audit Plan for Fiscal Year 2019 *continued*

Report Number	Report Title	Issued Date/Status
Development - Operations		
N/A	UT System, SAO, etc., Reporting/Requests	(d)
UTAOP-08	Annual Internal Audit Report	October 2018
N/A	Internal Audit Committee preparation and participation	(d)
N/A	Internal Quality Assurance and Improvement Program	(d)
N/A	Implementation of the External Quality Assurance Review	(d)
N/A	FY 2020 Annual Work Plan Development & Risk Assessment Process	(d)
N/A	TeamMate, IDEA, etc., development, maintenance, technical support	(d)
N/A	Executive Management and Leadership of the IA Department	(d)
N/A	Project Status Staff Meetings	(d)

Footnotes/Explanations for Deviations from Original Audit Plan

- (a) Carry-Forward to FY 2020 Audit Plan
- (b) Cancelled by Institutional Audit Committee
- (c) Draft report stage - To be issued after Institutional Audit Committee approval (December 2019)
- (d) Completed, yet no report issued or associated with this project

A Post-Payment Audit was also performed by the Fiscal Management Division Statewide Fiscal Oversight Department. This report was issued on September 28, 2018.

II. Internal Audit Plan for Fiscal Year 2019 *continued*

Compliance with the Benefits Proportionality Audit Requirements for Higher Education Institution

A compliance audit of Benefits Proportionality Funding (Report No. 16-08) was completed on August 27, 2018. The audit resulted in no issues or significant recommendations. This was required by Rider 8 of the General Appropriations Act (85th Legislature).

TEC Section 51.9337(h)

Senate Bill 20 of the 84th Legislative Session (SB 20) made several modifications to existing requirements and added new requirements for state agencies and institutions of higher education related to purchasing and contracting. These requirements were written into the Texas Government Code and/or the Texas Education Code (TEC) and were effective September 1, 2015. TEC §51.9337 requires that, “The chief auditor of an institution of higher education shall annually assess whether the institution has adopted the rules and policies required by this section and shall submit a report of findings to the state auditor.”

Based on review of current institutional policy and the UT System Board of Regents’ Rules and Regulations, UT Arlington has generally adopted all of the rules and policies required by TEC §51.9337.

Review and revision of UT Arlington and UT System policy is an ongoing process. These rules and policies will continue to be assessed annually to ensure continued compliance with TEC 51.9337.

Texas Government Code, Section 2102.005(b)

Each year, a risk-based audit plan is developed. This process includes evaluating the risks associated with each auditable area; this includes the contracts processes and controls to ensure compliance. Additionally, planning meetings are held with all of the President’s direct reports and other key members of the University’s administration, such as the Chief Information Officer and Chief Information Security Officer. During these meetings, we discuss key contracts and compliance risks associated these contracts.

II. Summary Of Recommendations and Status from FY 2019 Audits

Texas Government Code, Section 2102.015, requires entities to include the following on their website:

- “Detailed summary of the weaknesses, deficiencies, wrongdoings, or other concerns, if any, raised by the audit plan or annual report.”
- “Summary of the action taken by the agency to address the concerns, if any, that are raised by the audit plan or annual report.”

To address these requirements, an entity can summarize fiscal year 2019 internal audit recommendations and report on its action and progress toward implementing those recommendations. Suggested progress classifications include: fully implemented, substantially implemented, incomplete/ongoing, or not implemented. Note that substantially implemented indicates that management stated that the recommendation has been implemented, but Internal Audit has not tested implementation.

The following pages provide the status of implementation on all the FY2019 audit recommendations.

Importantly, UTA management is actively addressing the audit findings from 2019. However, due to the complexity and effort required to implement management action plans, many of the reported audit findings from 2019 remain open. This is not unusual given these audits were released during the last nine months. It should be noted that UTA has a robust follow-up process to help ensure timely implementation of audit findings. Internal Audit follows up with UTA leadership and provides an “open findings” status to the Institutional Audit Committee each quarter to help ensure awareness. Additionally, UTA leadership and the Institutional Audit committee keep up with “open findings” and, where needed, are actively involved with ensuring audit findings are addressed in an appropriate and timely manner.

II. Summary Of Recommendations and Status from FY 2019 Audits *continued*

Observation Number	Recommendation	Implementation Status
#1UTA18-09 - Travel Department Process Review (January 2019)		
1	a) Enhance EH&S monitoring and scoring for repeat deficiencies and non-responses.	a) Incomplete/ongoing
	b) Develop an annual report focused on trends, ranking and risk.	b) Incomplete/ongoing
2	a) Create safety goals to focus on common deficiencies and safety.	a) Incomplete/ongoing
	b) Adopt a commitment to safety and include measures in annual reviews.	b) Incomplete/ongoing
3	a) Perform unannounced EH&S visits on a portion of lab safety evaluations.	a) Incomplete/ongoing
4	a) Communicate a safety behaviors and conditions plan. Increase exposure in faculty and other meetings.	a) Incomplete/ongoing
5	a) Designate a Safety Coordinator for each laboratory to work with Principal Investigators on safety matters.	a) Incomplete/ongoing
6	a) Develop system to inform people of training and recertification needs.	a) Incomplete/ongoing
7	a) Review and update safety policies and procedures at least once a year.	a) Incomplete/ongoing

II. Summary Of Recommendations and Status from FY 2019 Audits *continued*

Observation Number	Recommendation	Implementation Status
#UTA19-04 - UTShare Process Review of Accounts Payable and Procurement (January 2019)		
1	<ul style="list-style-type: none"> a) Eliminate ability for user to prepare, submit and approve vendor changes. b) Add vendor attribute checks to vendor change control process. c) Maintain documentation to support all vendor master file changes. 	<ul style="list-style-type: none"> a) Incomplete/ongoing b) Incomplete/ongoing c) Incomplete/ongoing
2	<ul style="list-style-type: none"> a) Automate attribute match at vendor edit and provide an alert system. 	<ul style="list-style-type: none"> a) Incomplete/ongoing
3	<ul style="list-style-type: none"> a) Implement a centralized and digital bid management system. 	<ul style="list-style-type: none"> a) Incomplete/ongoing
4	<ul style="list-style-type: none"> a) Capture vendor discount offers within the vendor master file and automate discount deductions. b) Recoup late pay fees from department budgets. 	<ul style="list-style-type: none"> a) Incomplete/ongoing b) Incomplete/ongoing
5	<ul style="list-style-type: none"> a) Prevent date overrides in UT Share to allow better tracking of KPIs. 	<ul style="list-style-type: none"> a) Incomplete/ongoing
6	<ul style="list-style-type: none"> a) Require training for staff involved in UTA procurement activities. b) Provide SME contact to support staff with complicated UTShare activities. 	<ul style="list-style-type: none"> a) Incomplete/ongoing b) Incomplete/ongoing
7	<ul style="list-style-type: none"> a) Uploading supplier goods receipts to UTShare to document/store in system. 	<ul style="list-style-type: none"> a) Incomplete/ongoing

II. Summary Of Recommendations and Status from FY 2019 Audits *continued*

Observation Number	Recommendation	Implementation Status
#UTA18-11 - Parking and Transportation Department Process Review (February 2019)		
1	a) Adopt a Statement Of Account Monthly Release Schedule.	a) Incomplete/ongoing
2	a) Require signed estimated cost sheet for all special event parking activities. b) Non-compensated events should require management signature. c) Only accept credit cards as the single form of event parking payment. d) Employ ParkJockey register to record SP+ employees equipment use.	a) Substantially implemented b) Substantially implemented c) Substantially implemented d) Substantially implemented
3	a) Adopt a collection agency. b) Strengthen DMV procedures over the ownership assignment in MAVPark. c) Adopt a collection strategy for citations missing a date of birth.	a) Incomplete/ongoing b) Substantially implemented c) Incomplete/ongoing
4	a) Perform a monthly review to identify drivers needing training. b) Drivers should submit a request for review of Motor Vehicle Record (MVR) c) Follow up with drivers until all required reports are submitted.	a) Incomplete/ongoing b) Substantially implemented c) Substantially implemented
5	a) Implement procedure to bill permits to departments on a timely basis. b) Review permits sold monthly to ensure timely billing for those paid via transfer.	a) Substantially implemented b) Substantially implemented

II. Summary Of Recommendations and Status from FY 2019 Audits *continued*

Observation Number	Recommendation	Implementation Status
#UTA18-11 - Parking and Transportation Department Process Review (February 2019) <i>continued</i>		
6	<ul style="list-style-type: none"> a) Submit annual MVR request and training for all golf cart rental drivers. b) Ensure employees using University vehicles are authorized drivers. 	<ul style="list-style-type: none"> a) Substantially implemented b) Substantially implemented
7	<ul style="list-style-type: none"> a) Allow departments evaluated without accounting transfer subsidization. b) If transfers are used, review budget transfer allocation methods annually. 	<ul style="list-style-type: none"> a) Substantially implemented b) Incomplete/ongoing
8	<ul style="list-style-type: none"> a) Find adequate space to properly house Parking and Transportation. b) Meter counts should be performed with two staff members present. c) Register should be established to capture handheld device usage details. d) Meter keys should be stored in a secured location. e) Improve security for ParkJockeys, collection boxes, tablets, and handhelds. 	<ul style="list-style-type: none"> a) Substantially implemented b) Substantially implemented c) Substantially implemented d) Substantially implemented e) Incomplete/ongoing
9	<ul style="list-style-type: none"> a) Limit the ability to submit a parking ticket appeal b) Consider a processing fee in cases where an appeal is denied. c) Review staffing needs related to processing citation appeals. 	<ul style="list-style-type: none"> a) Substantially implemented b) Not to be implemented c) Substantially implemented

II. Summary Of Recommendations and Status from FY 2019 Audits *continued*

Observation Number	Recommendation	Implementation Status
#UTA18-11 - Parking and Transportation Department Process Review (February 2019) <i>continued</i>		
10	<ul style="list-style-type: none"> a) Review Groome driver new hire and safety training documents quarterly. b) Develop a Monitoring Plan for Groome training and safety documentation. 	<ul style="list-style-type: none"> a) Substantially implemented b) Substantially implemented
11	<ul style="list-style-type: none"> a) Set cashier collection types to 'Virtual' to ensure accurate entry in MAVPark. b) Record access review for IPS, MAVPark, ParkJockey, MobileNow, and Parkeon. 	<ul style="list-style-type: none"> a) Substantially implemented b) Substantially implemented
12	<ul style="list-style-type: none"> a) Develop a emergency response plan for department drivers. 	<ul style="list-style-type: none"> a) Substantially implemented
13	<ul style="list-style-type: none"> a) Utilize the department collection form for all revenue collections. b) Replace MacKay meters. c) Revenue collection should be reconciled to the IPS reports. 	<ul style="list-style-type: none"> a) Substantially implemented b) Incomplete/ongoing c) Substantially implemented
14	<ul style="list-style-type: none"> a) Update and finalize standard operating procedures. b) Update online policy to reflect proper procedure ownership. 	<ul style="list-style-type: none"> a) Substantially implemented b) Substantially implemented

II. Summary Of Recommendations and Status from FY 2019 Audits *continued*

Observation Number	Recommendation	Implementation Status
#UTA19-07 - Laboratory Safety Audit (June 2019)		
1	a) Enhance EH&S monitoring and scoring for repeat deficiencies and non-responses.	a) Incomplete/ongoing
	b) Develop an annual report focused on trends, ranking and risk.	b) Incomplete/ongoing
2	a) Create safety goals to focus on common deficiencies and safety.	a) Incomplete/ongoing
	b) Adopt a commitment to safety and include measures in annual reviews.	b) Incomplete/ongoing
3	a) Perform unannounced EH&S visits on a portion of lab safety evaluations.	a) Incomplete/ongoing
4	a) Communicate a safety behaviors and conditions plan. Increase exposure in faculty and other meetings.	a) Incomplete/ongoing
5	a) Designate a Safety Coordinator for each laboratory to work with Principal Investigators on safety matters.	a) Incomplete/ongoing
6	a) Develop system to inform people of training and recertification needs.	a) Incomplete/ongoing
7	a) Review and update safety policies and procedures at least once a year.	a) Incomplete/ongoing

II. Summary Of Recommendations and Status from FY 2019 Audits *continued*

Observation Number	Recommendation	Implementation Status
#UTA19-03 - UTShare Business Process Review of Grants (October 2019)		
1	a) Work with UTShare to address the significant opportunities and customization needed to support grants. If a timely solution cannot be reached, consider software alternatives including a separate instance.	a) Incomplete/Ongoing
2	a) Develop a cross-functional roadmap and KPIs to prioritize and coordinate the significant effort needed to move grant financial tracking forward.	a) Incomplete/Ongoing
3	a) Address the significant system and timing limitations currently impacting the financial tracking of grants.	a) Incomplete/Ongoing
4	a) Continue deficit review and research while improving reporting.	a) Incomplete/Ongoing
5	a) Develop an improved grant financial close-out process.	a) Incomplete/Ongoing
6	a) Address data entry opportunities to improve administrative efficiency.	a) Incomplete/Ongoing
7	a) Develop a comprehensive roles and responsibility matrix and training.	a) Substantially implemented

II. Summary Of Recommendations and Status from FY 2019 Audits *continued*

Observation Number	Recommendation	Implementation Status
UTA19-08 - Form I-9 and Employment Compliance (September 2019)		
1	a) Obtain list of new hires starting each day to ensure I-9 completion. Perform follow-up. Obtain a list of those starting in the last three days to ensure I-9 verification was performed. Perform follow-up for exceptions.	a) Incomplete/ongoing
2	a) Develop and use a daily listing of those employees with expiring employment authorizations.	a) Incomplete/ongoing
3	a) Destroy and purge I-9 documents when retention period expires.	a) Incomplete/ongoing
4	a) Properly secure I-9 documentation. Discontinue policy of saving paper copies when electronic copies exist	a) Incomplete/ongoing
5	a) Fully implement the Compliance Monitoring Plan for I-9s.	a) Incomplete/ongoing
6	a) Update I-9 policies and procedures.	a) Incomplete/ongoing

II. Summary Of Recommendations and Status from FY 2019 Audits *continued*

Observation Number	Recommendation	Implementation Status
UTA19-12 FY - 2018 UTS 142.1 Assurance Review (September 2019)		
1	a) Provide training to account holders on sub-certification. Implement process to review sub-certification responses.	a) Incomplete/ongoing
2	a) Develop an escalation process for multiple situations of non-compliance.	a) Incomplete/ongoing

III. Consulting Services and Non-audit Services Completed

Small consulting projects are completed weekly for UTA management. Additionally, the internal audit team is actively involved with several standing UTA committees including the: President’s Leadership Council, Compliance Accountability Risk and Ethics (C.A.R.E.) Committee, University Endowment Committee, Information Security Committee, Handbook Of Operating Procures (HOP) Committee, ERM Steering and Working Committee, Cross-Functional Compliance Effort Committee, Institutional Audit Committee, as well as several ad hoc committees. The larger consulting/non-audit initiatives for FY 2019 are listed below:

Area	Objective	Result
Human Resources	Worked closely with Baker Tilly on Human Resources project focused on organization and process design.	No report. Provided insights to UTA leadership for review and consideration.
Graduate Admissions	Worked with cross-functional team on various initiatives to improve UTA’s Graduate Admissions.	Insights provided and implemented by UTA leadership.
Enterprise Risk Management (ERM)	Worked closely with ERM Steering Committee and Working Committee to move UTA forward on this initiative.	Governance structure was created in the form of Steering and Working Committees. Significant education was completed for members of the Working Committee culminating with a Top 10 Risk exercise.
Data Analytics	Provide a regular analysis of Accounts Payable transactions to accounting leadership for research and follow-up.	Several duplicate payments were researched.
Academic Integrity	Worked with cross-functional team related to UTA’s academic integrity.	Audit performed data analytics review to confirm processes.

IV. External Quality Assurance Review (Peer Review)

September 14, 2017

Ms. Dana Nuber, Assistant Director, Office of Internal Audit
The University of Texas at Arlington

In September 2017, University of Texas at Arlington (UTA) Office of Internal Audit (OIA or IA) 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). UTA OIA engaged an independent review team consisting of three internal audit professionals with extensive higher education experience to perform an independent validation of OIA's 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 Institute of Internal Auditor'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 OIA, we conclude that OIA's internal audit function "**Partially Conforms**" with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics due to challenges related to Standards 2000 – Managing the Internal Audit Activity, 2010 – Planning, and 2030 – Resource Management. We agree with OIA's 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 OIA 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 University of Texas at Arlington.

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

Very truly yours,

Baker Tilly Virchow Krause, LLP



It should be noted that at the time of the peer review (2017), UTA did not have a Chief Audit Executive (CAE). Additionally, the experience of the staff was limited.

Opportunities presented in the report were addressed including hiring a CAE, as well as making other key staffing decisions.

In 2020, a QAR is scheduled for completion.

V. Internal Audit Plan for Fiscal Year 2020

Engagement Name	Budgeted Hours
Risk Based Audits - Assurance Engagements	
Mobile Devices & Data Storage Project	320
Asset Management & Encryption Controls	320
Admissions Review	320
Decentralized Revenue	320
College of Engineering Operations Audit	320
Financial Aid - Third Party Audit	140
Contract Review	300
Housing Audit	350
Payroll Audit	360
Regulatory Compliance Audit: (Time Keeping, Overtime, Comp, Termination)	320
NCAA Compliance Audit - Eligibility	260
FY 2019 UTS 142.1 Assurance Work	80
FY 2019 Carry-forward Risk Based Audits - Assurance Engagements	
Information Security and OIT Processes for Cyber Protection Audit	300
PeopleSoft Business Process Review of Grants	15
Summer Camps Audit	5
Visiting Scholars Audit	60
Lab Safety Audit	5
Form I-9 and Employment Compliance Audit	40
College of Nursing and Health Innovation Departmental Review	200
NCAA Compliance Audit -- Recruiting	45
Sponsored Projects Uniform Guidance Consulting	200
Endowment Accounting in PeopleSoft Audit	120

V. Internal Audit Plan for Fiscal Year 2020 *continued*

Engagement Name	Budgeted Hours
Consulting Projects	
Enterprise Risk Management Consulting	420
Tier One Research Project	320
Data Analytics Projects (P-Card, Travel, Department Expenses)	150
Audit Consulting Efforts For New UTA Systems (CRM, WebMod, Student Transfer Portal, etc.)	240
Reserve for Advisory and Consulting Project Requests	200
Participation on University committees and UT System Audit Council meetings.	280
Responding to Institutional Requests for Information and Advice	60
Required Audits	
FY 2019 NCAA Annual Financial Audit (support for UT System Audit Office)	100
FY 2019 Annual Financial Report (AFR) Audit	10
FY 2020 Annual Financial Report (AFR) Interim Work	25
Nursing Shortage Reduction Program Awards Audit	120
Joint Admissions Medical Program (JAMP) Award Audit	80
President's Travel, Entertainment, and University Residence Maintenance Expenses Audit	40
Executive's Travel and Entertainment Expenses Audit	220
State Auditor's Office (SAO) Statewide Single Audit (Student Financial Aid)	20
Texas Education Code 51.9337 - Annual Reporting Requirement on Procurement Policies	50
Benefits Proportionality 2018 and 2019	200
Reserve	
Reserve for Investigations	300
Reserve for Unanticipated Audits or Other Activities	380

V. Internal Audit Plan for Fiscal Year 2020 *continued*

Engagement Name	Budgeted Hours
Follow-Up On Open Findings	
Quarters 1, 2, 3, and 4	240
Development Operations	
UT System, SAO, etc., Reporting/Requests	100
Annual Internal Audit Report	40
Internal Audit Committee Preparation and Participation	250
Internal Quality Assurance and Improvement Program activities or other quality processes	50
External Quality Assurance Review (EQAR) 2020	220
FY 2021 Annual Work Plan Development & Risk Assessment Process	200
TeamMate, IDEA, etc., development, maintenance and other technical support	150
Executive Management and Leadership of the IA Department	300
Project Status Staff Meetings	200
Development - Initiatives And Education	
UT System Audit Office Initiatives and Participation	75
Institutional Strategic or Other Initiatives	100
Professional Organization and Association Participation	100
Individual Continuing Professional Education (CPE) Training (including related travel)	500
Total Budgeted Hours	10,140

V. Internal Audit Plan for Fiscal Year 2020 *continued*

The following are high-risk areas that did not make the FY 2020 audit plan:

Risk Area	Mitigating Factor/Reason Not On Plan
Efficient And Effective Processes For Individual Departments	As we perform our audits, we include the ability of departments to function in an efficient manner within our scope. Will consider for 2021 plan.
Ability To Provide Technology Services That Effectively And Efficiently Serve Users	The risk will be addressed as a part of our integrated audits. We typically include supporting technology in each of our audits.
Develop And Maintain A High Performance Culture	Similar issues were addressed in the 2019 Human Resources Project. We will work with management on the action plan from this consulting assignment.
Attract And Retain Top Talent	Similar issues were addressed in the 2019 Human Resources Project. We will work with management on the action plan from this consulting assignment.
Ability To Efficiently And Effectively Budget, Track And Monitor Grant Funds	This topic was addressed in a 2019 audit. Management is working on action plans to address this and similar issues.
Ability To Maintain The Quality Of Degrees And Curriculum.	This risk was addressed in an Academic Integrity Task Force which audit participated in Q3 2019. A similar audit will be considered for 2021.
Ability To Achieve Faculty Hiring Goals	Management is addressing, For example, the Provost added a high level position to focus on faculty retention, issues, and recruiting.
Protecting Information And Computing Resources	This is a consistent risk. UT System has contracted to perform a incident response/vulnerability project in 2020. We will participate with our UTA CISO.
Ability To Comply With Title IX standards.	We have an effective Title IX Team. This area of risk continues but is being managed by experts in the field.
Provide A Safe Campus Environment.	ERM team identified the top issues identified related to campus safety. Additionally, numerous groups are addressing these risks at UTA. Will be considered for 2021.
Provide Cost-Effective Information Technology Resources	We review supporting technology in all of our audits. We will continue. Will be considered for 2021.
Ability To Sustain Academic Integrity	UTA committee focused on this area in 2019. Will be considered for 2021.

VI. External Audit Services Procured in Fiscal Year 2019

The following external audit services, including financial and performance audits and attestation engagements, reviews, and agreed-upon procedures, were procured during FY2019.

External Auditor	Service Provided
Baker Tilly	Human Resources Business Process Review (Organizational Consulting Project)
Weaver	<ol style="list-style-type: none">1. PeopleSoft Business Process Review of Grants2. PeopleSoft Business Process Review of Accounts Payable and Purchasing,3. Travel Department Review4. Parking And Transportation Review

VII. Reporting Suspected Fraud And Abuse

Section 7.09, Page IX-37, the General Appropriations Act (86th Legislature)

Actions taken to implement the fraud reporting requirements of the General Appropriations Act (86th Legislature), Section 7.09:

- SAO fraud reporting link on the bottom right of UT Arlington's homepage (www.uta.edu)
- UT Arlington Policy E-PO1 *Dishonest or Fraudulent Activities* ([Policy EI-PO1](#))
- UT Arlington Ethics Hotline provides employees an anonymous way to report suspected fraud, theft and other unethical behavior ([Ethics Hotline](#)), and includes a link to report suspected fraud, waste and abuse involving state funds to the SAO (<https://sao.fraud.texas.gov/>)
- Policies and Procedures have been updated for the requirement that the Chief Administrative Officer shall report suspected fraud to the State Auditor's Office.

Texas Government Code § 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.

If a situation were to occur where this code is applicable, The University of Texas at Arlington would report such activities to the State Auditor's Office through the following website:

<https://sao.fraud.Texas.gov/reportfraud/>