



The University of Texas at San Antonio™

INTERNAL AUDIT ANNUAL REPORT
FISCAL YEAR 2024

As required by the Texas Internal Auditing Act

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Section I: Compliance with Texas Government Code, Section 2102.015

Per the Texas Government Code, Section 2102.015, the UTSA Office of Auditing and Consulting Services posted Internal Audit Annual Reports and approved Audit Plans on the following website:

<http://www.utsa.edu/internalAudit/Audit/Reports.html>

All internal audit reports are posted on the UT System Audit Office website:

<https://www.utsystem.edu/documents/audit-reports-institution>

Section II: Internal Audit Plan for Fiscal Year 2024

Identity and Access Management Audit - Service Now	
Report Number: 2024-31 Report Date: February 27, 2024 Status: Report Issued	The report contains confidential information that relates to computer security and is not subject to the disclosure requirements of Texas Public Information Act, based on the exception found in Government Code § 552.139.
Data Backup Internal Audit	
Report Number: 2024-30 Report Date: August 27, 2024 Status: Report Issued	The report contains confidential information that relates to computer security and is not subject to the disclosure requirements of Texas Public Information Act, based on the exception found in Government Code § 552.139.
Restricted Gifts Audit	Carryforward Audit from FY23 Audit Plan
Report Number: 2023-22 Report Date: September 14, 2023 Status: Report Issued	Expenses paid with gift funds comply with donor restrictions. Gift expenditures were overstated in the UTSA Annual Financial Report.
Real Estate & Property Management Facilities Store Purchasing Processes Internal Audit	
Report Number: 2024-21 Report Date: July 9, 2024 Status: Report Issued	RPM has enhanced purchasing and inventory processes in Facilities Store processes. Improvements to enhance the processes were noted.
TEC §51.3525 (DEI) Compliance Internal Audit	
Report Number: 2024-23 Report Date: August 12, 2024 Status: Report Issued	UTSA complies with the key requirements of UTS 197. While not specifically required by statute, opportunities exist to ensure ongoing compliance with TEC§51.3525.

Section II: Internal Audit Plan for Fiscal Year 2024 Plan

Joint Admission Medical Program Internal Audit	
Report Number: 2024-03 Report Date: October 31, 2023 Status: Report Issued	UTSA materially complied with JAMP Agreement requirements and JAMP Expenditure Guidelines.
Procurement Audit	
Report Number: 2024-20 Report Date: August 19, 2024 Status: Report Issued	UTSA has adopted policies required by Texas Education Code, Section §51.9337(h).
FY 2023 Annual Financial Report	
Report Number: 2024-01 Report Date: January 4, 2024 Status: Report Issued	No material adjustments were identified in the UTSA AFR. No exceptions were identified during the testing of controls and substantive testing.

Completed Projects

Data Analytics were completed.
Campus Committee Meetings were completed.
UT System issued the FY23 NCAA Agreed Upon Procedures on January 12, 2024.
The SAO completed Single Audit Follow Up.

Audit Plan Changes

Approval was obtained at the October 31, 2023, IAC Meeting to add 1) Carnegie Consulting and 2) NSF Site Visit Preparation Consulting.

Approval was obtained at the March 5, 2024 IAC Meeting to cancel: 1) Email Security and Management Internal Audit and 2) Grant Financial Reporting and Billing Internal Audit.

Approval was received to defer at the July 25, 2024 IAC Meeting: 1) Employee Onboarding/Offboarding Internal Audit, 2) NSPM-33 Readiness Internal Audit, and 3) Lab Safety / Biosafety Consulting. The Equal Opportunity Services Consulting was canceled.
Fraud Awareness Training was deferred to FY 25.

Athletics Risk Based Audit was in progress as of August 31, 2024.

Section III: Consulting Services and Nonaudit Services Completed

Carnegie Consulting		Research Consulting	
Project Number: 2024-44 Report Date: February 21, 2024 Status: Mgmt. Letter Issued		Provided consulting services on processes in place to gather data for Carnegie R1 criteria: Research Staff and Research Expenditures.	
NSF Site Visit Preparation Consulting		Research Consulting	
Project Number: 2024-45 Report Date: March 6, 2024 Status: Mgmt. Letter Issued		Provided consulting services on processes in place to management National Science Foundation grants in preparation for the March 2024 NSF Site Visit.	
Construction Management Consulting			
Project Number: 2024-24 Project Completed: August 31, 2024		Facilitated an inherent and residual risk assessment on current and planned construction processes. Validation of procedures for select controlled risks is on the FY25 Audit Plan.	
NSPM-33 Readiness Assessment		Information Technology Consulting	
Project Number: 2024-40 Project Completed: August 31, 2024		Provided a comparison of cybersecurity processes and controls included in the Research Security Framework to prior audit and assurance activities.	
Information Technology Consulting			
Project Number: 2024-33 Project Completed: August 31, 2024		Provided the CISO feedback on past audits and activities and consulting on the Texas Cybersecurity Framework Assessment	

Section IV: External Audit Services Procured

- ❖ UTSA engaged Weaver and Tidwell, LLP to conduct the required Agreed-Upon Procedures of the Cancer Prevention and Research Institute of Texas (CPRIT) awards for FY 2023.
- ❖ UT System engaged Baker Tilly, LLP to conduct the National Collegiate Athletic Association (NCAA) Agreed Upon Procedures for UTSA for FY 2023.

Section V: External Quality Assurance Review (Peer Review)



December 2023

Mr. Paul Tyler, Chief Audit Executive
The University of Texas at San Antonio

In August 2023, The University of Texas at San Antonio (UTSA) 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). UTSA OACS engaged an independent review team consisting of internal audit professionals with extensive higher education and healthcare experience to perform an independent validation of OACS' QAR self-assessment. The primary objective of the validation was to verify the assertions made in the QAR report concerning OACS' 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's 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.

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

Very truly yours,

A handwritten signature in black ink that reads "Baker Tilly US, LLP".

Baker Tilly US, LLP

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Section VI: Internal Audit Plan for Fiscal Year 2025

Assurance Engagements	Budget	Investigations	Budget
Research Data Security	400	Investigations	100
Lab Safety / Biosafety	350		
Procurement Policies and Processes	200	Reserve	Budget
Grants Financial Reporting	300	Reserve	250
Employee Onboarding / Offboarding Process	300		
Construction Management	300	Follow-Up	Budget
Athletics	300	1st Quarter	75
Privileged Account / Access Management Audit	300	2nd Quarter	75
Restricted Area Access Audit	200	3rd Quarter	75
Financial Aid Disbursement Verification	300	4th Quarter	75
Assurance Engagements Subtotal	2,950	Follow-Up Subtotal	300
Advisory & Consulting Engagements	Budget	Development - Operations	Budget
TEC 51.3525 - Consulting	250	Internal Audit Committee Meetings	250
Patch Management Consulting	150	Project Status Staff Meetings	450
Information Technology Disaster Recovery Consulting	50	Audit Planning	150
Business Affairs Consulting	100	UT System/SAO/External Reporting	40
Research Consulting	100	Development - Operations Subtotal	890
Data Analytics Operations	150		
Advisory and Consulting Engagements Subtotal	800	Development - Initiatives and Education	Budget
		System Audit Initiatives	80
		Professional Associations	400
		eCase Implementation	200
		Continuing Professional Education	400
		Development - Initiatives and Education Subtotal	1,080
Required Engagements	Budget	Total Budgeted Hours	6,650
FY24 NCAA Agreed Upon Procedures	40		
FY24 State Auditor's Office Single Audit	40		
FY24 Financial Statement Audit	120		
FY25 Financial Statement Audit (Interim)	80		
Required Engagements Subtotal	280		

Section VI: Risk Assessment Methodology for the Fiscal Year 2025 Audit Plan

UTSA's FY 2025 Audit Plan outlines the internal audit activities that will be performed by the Office of Auditing and Consulting Services during FY 2025 per the responsibilities established by:

- ❖ the [University of Texas System Policy 129 - Internal Audit Activities](#),
- ❖ the [Texas Internal Auditing Act](#),
- ❖ the [Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing](#) and
- ❖ [Generally Accepted Government Auditing Standards](#).

The plan is prepared using a risk-based approach to ensure that areas and activities specific to UTSA with the highest risk are identified for consideration to be audited. As part of the FY 2025 Audit Plan process, the UT System Audit Office executed a consistent risk assessment approach across all UT System institutions. The common risk assessment approach started at the top with an awareness of critical and strategic initiatives and objectives to ensure the risks assessed were the most relevant. The risk assessment approach was based on a top-down process that included conversations and surveyed requests for input with risk collaborators, executives, and managers from the various operating areas on campus. The assessment process was standardized by creating common terms and criteria, enabling trending of risk and Systemwide comparisons. An emphasis was placed on collaboration with other functions that assess, handle, or manage risk.

Information Technology risks represent a broad, high-risk category in the risk assessment and include specific information technology risks related to Title 1, Texas Administrative Code (TAC), Chapter 202, *Information Security Standards*. Benefits proportionality and methods for ensuring compliance with contract processes and controls and for monitoring agency contracts, according to the Texas Government Code, Section 2102.005(b), are also included in the risk assessment.

Section VI: High Risk Areas not included in the Internal Audit Plan for Fiscal Year 2025

- ❖ Academic Advising
- ❖ Admissions
- ❖ Application Systems - Academic
- ❖ Budgeting/Decision Support
- ❖ Data Governance, Management, & Protection
- ❖ Enrollment & Registration/ Student Records - Registrar
- ❖ Faculty Recruitment
- ❖ Graduate/PhD Programs
- ❖ Hardware & Software Inventory Management
- ❖ Healthcare / Mental Health
- ❖ Information Technology Security Configuration
- ❖ Maintenance
- ❖ Mobile Devices & Portable Data Storage
- ❖ Network Administration
- ❖ Organizational Structure & Accountability
- ❖ Student Conduct
- ❖ Student Retention & Graduation
- ❖ System Development & Change Management
- ❖ Third Party Security & Risk Management
- ❖ Title IX
- ❖ Youth Protection

Note: Other mitigating activities were identified in these areas to reduce the risk.

Section VII: Reporting Suspected Fraud and Abuse

To comply with the fraud requirements of the General Appropriations Act and the investigation coordination requirements of the Texas Government Code, UTSA has implemented the following:

- ❖ At the bottom of the home page of [The University of Texas at San Antonio](#), there is a link to [Report Fraud](#) at UTSA's hotline website or phone or through the State Auditor's Office hotline website.
- ❖ The University of Texas at San Antonio reports applicable activities to the State Auditor's Office [Fraud Hotline Website](#).



UTSA
The University of Texas at San Antonio
Office of Institutional Compliance and Risk Services

COMPLIANCE HOTLINE

**Fraud
Waste
Abuse**

Compliance
Hotline

Scan this code with the QR Code reader on your phone to directly access our website

Do the right thing. Report your concerns.
<https://www.utsa.edu/Compliance/Hotline.html> or
210-458-5365

The General Appropriations Act (86th Legislature), Section 7.09, page IX-37. 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 as 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.*

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 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.*