



The University of Texas at San Antonio™

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INTERNAL AUDIT ANNUAL REPORT  
FISCAL YEAR 2023

*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>

In Section II of this report, The University has included the following for the FY 2023 Audit Plan:

## Section II: FY 2023 Internal Audit Plan – Assurance Engagements

Identity and Access Management Audit - Civitas & Alma Primo	
Report Number: 2023-31 Report Date: January 31, 2023 Status: Reports 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.
Identity and Access Management Audit - ARMS and Report Exec. & WebTMA	
Report Number: 2023-31A Report Date: May 26, 2023 Status: Reports 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.
UTS 142 Monitoring Plan: Account Reconciliations / Quality Assurance Review Internal Audit	
Report Number: 2023-21 Report Date: June 14, 2023 Status: Report Issued	Segregation of duties in the account reconciliation process existed but were not always timely. Observations that could enhance the Quality Assurance Reviews process were provided.
Credit Card Audit	
Report Number: 2023-20 Report Date: August 22, 2023 Status: Report Issued	Best practices in credit card process exist to ensure compliance with state and university policies and guidelines. Further enhancements to increase the effectiveness and efficiency of reviewing expenditures and authorizing payments were provided.
Gift Audit	
Report Number: 2023-22 Report Date: September 14, 2023 Status: Report Issued	Expenses paid with gift funds comply with donor restrictions. However, gift expenditures were overstated for FY17-FY23 in UTSA's AFR.
Procurement Audit	
Report Number: 2023-05 Report Date: August 28, 2023 Status: Report Issued	UTSA has adopted policies required by Texas Education Code, Section 51.9337(h). Improvements to enhance the UTSA Purchase and Contract Transparency Reporting process were noted.

## **Section II: FY 2023 Internal Audit Plan – Required Engagements, Completed Projects, and Changes to the Audit Plan**

### **FY 2022 Annual Financial Report**

Report Number: 2023-01	No material adjustments were identified in the UTSA AFR. No exceptions were identified during the testing of controls and substantive testing.
Report Date: January 20, 2023	
Status: Report Issued	

### **Facilities Audit (Texas Higher Education Coordinating Board)**

Report Number: 2023-06	UTSA accurately reported facilities data to the Texas Higher Education Coordinating Board and received appropriate approval from the UT System Board of Regents.
Report Date: June 6, 2023	
Status: Report Issued	

### **Football Attendance Audit**

Report Number: 2023-12	UTSA complies with NCAA Division I Bylaw 20.10.9.3 minimum attendance requirements.
Report Date: January 6, 2023	
Status: Report Issued	

### **Completed Projects**

Data Analytics/Continuous Auditing was completed.  
UT System issued the FY22 NCAA Agreed Upon Procedures on January 13, 2023.  
The State Auditor's Office completed the Single Audit Follow-Up.

### **Audit Plan Changes**

At the April 13, 2023 IAC Meeting, approval was obtained to add consulting to prepare for the FY23 State Auditor's Office NRUF audit and for 2) Fraud Policy & Procedure Facilitation.

At the April 13, 2023, IAC Meeting, approval was obtained to change the scope of 1) the Sponsored Projects Uniform Guidance Audit to Carnegie Classification Consulting and 2) the IT General Controls Audit to consulting.

At the April 13, 2023 IAC Meeting, approval was received to cancel: 1) the Athletics Risk Based Audit, 2) Enrollment/Admissions Consulting, and 3) Backups/Business Resiliency Consulting.

At the July 6, 2023 IAC Meeting, approval was received to cancel: 1) the Service Now Audit and 2) Enterprise Risk Management Consulting.

At the July 6, 2023 IAC Meeting, approval was received to add Cybersecurity Consulting.

The UT System Audit Office did not perform a Presidential Travel and Entertainment Review at UTSA in FY23.

In lieu of completing the FY23 Construction Management Audit, consulting services were provided in preparation for the FY24 Construction Management Audit.

### Section III: FY 2023 Consulting Services and Nonaudit Services

FY22 NRUF Consulting - Preparation for SAO Audit	
Project Number: 2023-41 Report Date: February 21, 2023 Status: Report Issued	Ensure UTSA complies with the National Research University Fund requirements for FY22. No observations were noted.
Business Affairs Consulting	
Project Number: 2023-25 Project Completed: 8/31/23	Provide feedback on Facilities Store procedures and policies developed to address KPMG's business process assessment. Validation of the implementation of procedures is on the FY24 Audit Plan.
Construction Management Consulting	
Project Number: 2023-03 Project Completed: 8/31/23	Facilitate an inherent and residual risk assessment on current and planned construction processes. Validation of procedures for select controlled risks is on the FY24 Audit Plan.
Fraud Policy and Procedure Facilitation	
Project Number: 2023-56 Project Completed: 8/31/23	Draft HOP 9.52 Suspected Dishonest or Fraudulent Activities and gather related UTSA procedures. Developing related training is on the FY24 Audit Plan.
Carnegie Classification Consulting	
Project Number: 2023-40 Project Completed: 8/31/23	Analyze data sources and processes to complete the NSF Higher Education Research and Development (HERD) Survey. Continuing the analysis for additional HERD Survey components is on the FY24 Audit Plan.
IT General Controls Consulting	
Project Number: 2023-30 Project Completed: 8/31/23	Create base guidelines for working with external auditors' review of IT General Controls.
IS Cybersecurity Consulting	
Project Number: 2023-33 Project Completed: 8/31/23	Perform data analytics on Multifactor Authentications Logs to identify potential footprints of a security breach that can be built into continuous monitoring by the Security Operations Center.



## Section IV: External Quality Assurance Review (Peer Review)

July 16, 2020



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

In June 2020, 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 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' 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 UTSA and is subject to the terms and conditions of our related contract. Baker Tilly disclaims any contractual or other responsibility to others based on its use and, accordingly, this information may not be relied upon by anyone other than The University of Texas System Administration and The University of Texas at San Antonio.

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

Very truly yours,

*Baker Tilly Virchow Krause, LLP*

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## Section V: FY 2024 Approved Internal Audit Plan

Assurance Engagements	Budget
Identity and Access Management	350
Data Backups	300
Email Security and Management	400
NSPM-33 Readiness Assessment	250
Grant Financial Reporting and Billing	300
Lab Safety / Biosafety	400
Employee Onboarding/Offboarding Processes	300
Athletics Risk Based Audit	300
Facilities Store Purchasing Processes	125
Procurement Policies and Processes	250
Data Analytics	200
Carryforward - Gift Audit	100
<b>Assurance Engagements Subtotal</b>	<b>3,275</b>

Advisory & Consulting Engagements	Budget
Information Technology Consulting	125
Research Consulting	125
Construction Management Consulting	150
Equal Opportunity Services Consulting	100
88th Legislative Session Compliance - Diversity, Equity and Inclusion (DEI)	100
Campus Committee Meetings	400
<b>Advisory and Consulting Engagements Subtotal</b>	<b>1,000</b>

Required Engagements	Budget
FY23 NCAA Agreed Upon Procedures	40
State Auditor's Office Single Audit	50
FY23 Financial Statement	115
FY24 Financial Statement (Interim)	160
Joint Admissions Medical Program	100
<b>Required Engagements Subtotal</b>	<b>465</b>

Investigations	Budget
Investigations	200

Reserve	Budget
Reserve	250

Follow-Up	Budget
1st Quarter	75
2nd Quarter	75
3rd Quarter	75
4th Quarter	75
<b>Follow-Up Subtotal</b>	<b>300</b>

Development - Operations	Budget
Internal Audit Committee Meetings	275
Project Status Staff Meetings	450
Teammate Implementation and Maintenance	100
Audit Planning	200
UT System Reporting	50
External Quality Assurance Review	200
Data Analytics Operations	200
<b>Development - Operations Subtotal</b>	<b>1,475</b>

Development - Initiatives and Education	Budget
New Audit Management Software Preparation and Implementation	150
System Audit Initiatives	100
Professional Associations	300
Continuing Professional Education	500
<b>Development - Initiatives and Education Subtotal</b>	<b>1,050</b>

<b>Total Budgeted Hours</b>	<b>8,015</b>
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## Section V: FY 2024 Audit Plan – Risk Assessment Methodology

UTSA's FY 2024 Audit Plan outlines the internal audit activities that will be performed by the Office of Auditing and Consulting Services during FY 2024 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 2024 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 V: High Risk Areas not included in the FY24 Internal Audit Plan

- ❖ Academic Integrity
- ❖ Account Reconciliations / Segregation of Duties
- ❖ Americans with Disabilities Act (ADA)
- ❖ Animal Research
- ❖ Budgeting-Incentivized Resource management
- ❖ Capital Campaign
- ❖ Clery Act Reporting
- ❖ Conflict of Interest / Conflict of Commitment
- ❖ Counseling/Mental Health Services
- ❖ Deferred Maintenance
- ❖ Enterprise Risk Management
- ❖ Gifts/Endowments
- ❖ IT Asset Management
- ❖ IT Governance and Service Delivery
- ❖ Minors on Campus
- ❖ Physical Security – Facilities and Space Management
- ❖ Remote Work Control Environment
- ❖ Research Computing Environment
- ❖ Student/Academic Computing Environment
- ❖ Student Career Readiness
- ❖ Student Enrollment and Admissions
- ❖ Tuition and Fee Revenue

## Section VI: External Audit Services Procured in Fiscal Year 2023

- ❖ 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 2022.

## 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](#).



The poster is for the UTSA Compliance Hotline. At the top left is the UTSA logo with the text 'The University of Texas at San Antonio' and 'Office of Institutional Compliance and Risk Services'. The main title 'COMPLIANCE HOTLINE' is in large orange letters. Below it, 'Fraud Waste Abuse' is written in large white letters. To the right is a graphic of a computer monitor with 'Compliance' above it and 'Hotline' below it. At the bottom left is a QR code with the text 'Scan this code with the QR Code reader on your phone to directly access our website'. At the bottom right is the text 'Do the right thing. Report your concerns.' followed by the URL 'https://www.utsa.edu/Compliance/Hotline.html' and the phone number '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.*