

**The University of Texas
at Dallas**



Office of Audit and Compliance

2008

**Internal Audit
Annual Report**



Purpose

The purpose of this annual report is to provide information on the benefits and effectiveness of the internal audit function at The University of Texas at Dallas (UTD). In addition, the annual report assists central oversight agencies in their work planning and coordinating efforts. The [Texas Internal Auditing Act](#) requires that an annual report on internal audit activity be filed by November 1st of each year. Refer to the Texas Government Code, Section 2102, as amended by H. B. 2485 during the 78th Legislature. The format used for this report was prescribed by the Texas State Auditor's Office. Additional information regarding the UTD Office of Audit and Compliance can be found at the following website: <http://www.utdallas.edu/audit-compliance>.

Report Distribution:

- State Auditor's Office
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- Sunset Advisory Commission
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- UT System Audit Office

Table of Contents

Internal Audit Plan for Fiscal Year 2008	4
<i>Explanation of Deviations from the Plan</i>	<i>5</i>
External Quality Assurance Review.....	6
List of Audit Completed Showing High-Level Objectives, Observations/Findings, Recommendations, and Implementation Status	7
List of Consulting Engagements and Non-audit Services Completed Showing High-Level Objectives, Observations/Findings, Recommendations, and Implementation Status	22
Organization Chart: Internal Audit Function	24
Report on Other Internal Audit Activities	25
Internal Audit Plan for Fiscal Year 2009	26
External Audit Services Procured in Fiscal Year 2008	27

Internal Audit Plan for Fiscal Year 2008

Fiscal Year 2008 Audit Plan: <i>Priority Audits</i>			
Audit Areas	Priority Budgeted Hours	% of Total	
<i>UT System Requested</i>			
FY 2007 Financial Statement Audit	300		
FY 2008 Interim Financial Statement Audit Work	100		
Presidential Travel and Entertainment Expenses	120		
IT Systems Change Management Audit	200		
Federal Portion of the Statewide Single Audit (assistance to SAO)	20		
Subtotal	740	16%	
<i>Externally Required</i>			
FY 2007 Financial Statement Review - SACS	400		
ATP/ARP Grants (Research Grants)	100		
Texas Workforce Development Grants	80		
Lena Callier Trust	100		
Governance/Consulting Project: Standards of Conduct Guide	120		
Subtotal	800	17%	
<i>Consulting</i>			
Consulting	120		
Subtotal	120	3%	
<i>Risk Based Tier One: Institutional</i>			
Construction	200		
Work Orders & Billings	100		
Financial Aid	240		
Gifts	200		
New Programs and Centers			
Center for Brain Health (Research Center)	120		
Sickle Cell Center (Research Center)	120		
Carried Forward from FY 2007			
Scholarships and Fellowships	120		
Subtotal	1100	24%	
<i>Risk Based Tier Two: Auditable Area</i>			
<i>Research</i>			
UTS 163 (Time and Effort Reporting & Cost Sharing)	220		
<i>Information Technology</i>			
UTS 165 (Information Resources Security and Use Policy)	200		
Authentication and Computer Account Requests	240		
Unix	150		
<i>Compliance</i>			
Medical Billing at Callier Center & School of Brain and Behavioral Sciences	160		
SEVIS	100		
Subtotal	1070	23%	

<i>Change in Management Allocation</i>			
Reserve for Change in Management Audits and Training Classes		100	
Management Training Class Development		40	
Subtotal		140	3%
<i>Follow-up</i>			
Quarterly Follow-up of Significant Audit Recommendations		10	
Annual Follow-up Audit		80	
Subtotal		90	2%
<i>Projects</i>			
ACL Projects - Internal Audit Office		40	
Annual Internal Audit Report		40	
Audit & Compliance Committee		60	
External QAR Follow-up		20	
FY 2009 Audit Plan		80	
Peoplesoft Project Team		80	
Reserved for Special Projects & Investigations - As Determined by President, Audit Committee, Etc.		40	
SACS		80	
U. T. System Requests		40	
Policies and Procedures Updates		100	
Hotline Investigations		30	
Projects Total		610	13%
Total Hours		4670	100%

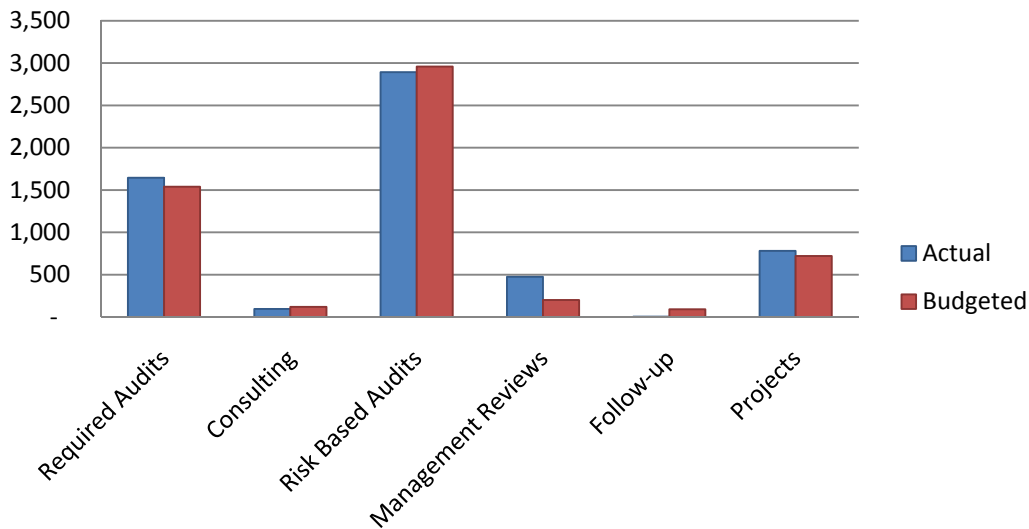
Explanations of Deviations from the Audit Plan

During fiscal year 2008, 16 audit reports were issued, three special projects were completed, and two external quality assurance reviews were performed.

The fiscal year 2008 Audit Plan stated that 24 priority audits would be completed. Of that amount, 12 were completed and two remained in process at year end. All required audits were completed. Of those priority audits not completed, one (Financial Aid) was not performed due to the State Auditor's Office doing detailed work in that area. The remaining nine audits were not completed due to time constraints caused by the addition of other higher priority audits resulting from UT System Request, hotline calls, and additional change in management reviews being required. Also, staffing issues arising from maternity leave and extended sick leave resulted in less time available.

There were no significant changes to the scope of any audits on the audit plan. The chart below shows the comparison of actual to budgeted hours. The audits not completed were either postponed to fiscal year 2009 or reassessed as part of the risk assessment process for 2009 audits.

Comparison of Actual Hours to Budgeted Hours: FY 2008 Audit Plan



External Quality Assurance Review

In accordance with IIA Standards, an external quality assurance review (QAR) was performed in November 2006. Such reviews are required every three years by the Texas Internal Auditing Act. The principal objectives of the quality assurance review were to assess the Internal Audit function of UTD's Office of Audit and Compliance and its conformity to the Institute of Internal Auditors (IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)*, evaluate the department's effectiveness in carrying out its mission as stated in its adopted charter and as expressed in management's expectations, and identify opportunities to enhance its management, work processes, and its value to UT Dallas. The QAR team also evaluated the department's conformity to the standards promulgated by [Governmental Auditing Standards \(GAS\)](#) and the Texas Internal Auditing Act.

The review concluded that the Internal Audit function generally conforms to the *Standards* as a whole and demonstrates the necessary evidence to show conformity to the Texas Internal Auditing Act. Recommendations were made to enhance compliance with the standards and the effectiveness of the department's work processes.

In accordance with the UT System [external quality assurance review process](#), a follow-up of the external QAR was performed in June 2008. The follow-up concluded that most of the recommendations had been implemented; however, the audit manual should be put on-line once updated.

Report No.	Report Date	Name of Report	High-Level Audit Objectives	Observations, Findings, & Recommendations	Current Status ¹	Fiscal Impact/ Other Impact
				<p>restricted persons be removed from working with these chemicals and agents.</p> <p>(4) EHS should work with the Key Shop to ensure that key procedures are documented, access to the chemical inventory room is approved by management, and keys are tracked to ensure they are returned in the event of personnel changes, such as terminations and/or transfers.</p>	Substantially implemented	<p>Act, the risk of fines, loss of federal funding, and/or bad public relations is increased.</p> <p>Without proper tracking of the keys by the designated UTD office, the risk of unauthorized access is increased as the keys may be lost, duplicated, or not returned by terminated employees.</p>
R802	12/3/07	<i>President's Travel and Entertainment</i>	The objective of this audit was to comply with The University of Texas System's Board of Regents' Policy No. 20205 that requires an audit of the President's travel and entertainment within 90 days after the fiscal year end. Also, to provide assurance that fiscal year 2007 travel and entertainment expenses for the President comply with UTD and U.T. System	Based on results, the travel and entertainment expenses for the President comply with UTD and the U.T System policies and procedures.	Not applicable	

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R803	1/7/08	<i>Gifts</i>	<p>policies and procedures.</p> <p>The objective of this audit was to provide assurance that UTD is utilizing donor funds in accordance with the gift restrictions, and to ensure that gifts are properly accounted for, gift receipts are safeguarded, and resources are employed efficiently and economically.</p>	<p>(1) Clear initial communications with donors will help ensure their giving experience was a positive one. Training should be developed and offered to all campus employees to increase awareness of UTD gift procedures.</p>	Incomplete/ ongoing – training has not been fully developed but Development is working on the training	Without employee awareness of these procedures and restrictions, the potential of inconsistent or non-compliant treatment of gift funds is increased which could harm donor relations.
R804	1/28/08	<i>Annual Financial Report Audit</i>	<p>The objectives of this audit were as follows:</p> <ul style="list-style-type: none"> Perform a risk-based audit of financial information reported on the Annual Financial Report (AFR) at UT Dallas as of August 31, 2007, including Management Discussion and Analysis and footnote information reported to U.T. system. Identify material misstatements in 	<p>(1) Adjustments/corrections that were found and recommended as part of the audit that were made to the AFR: \$500,000 to pledges receivable. Other minor adjustments made during the course of the audit.</p> <p>(2) Adjustments/corrections found and recommended as part of the audit that were not made to the AFR: None</p> <p>(3) Internal Control and Process Issues</p> <p> a. Reconciliation processes should be improved as detailed in the audit recommendation included in this report.</p>	<p>Not applicable</p> <p>Not applicable</p> <p>Substantially implemented however monitoring needs to continue</p>	Without timely reconciliation and review, material misstatements, unauthorized expenses, and other errors may not be detected.

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			<p>excess of \$500,000 in the AFR – Exhibit A- Balance sheet and Exhibit B- Combined Statement of Revenues, Expenses, and Changes in Net Assets for the fiscal year ended August 31, 2007.</p> <ul style="list-style-type: none"> Report these misstatements to U.T. System Audit for their consideration in performing the audit work for The University of Texas System-wide Consolidated Financial Statements for the year ending August 31, 2007. Identify and test key controls over financial reporting including Information Technology (IT) controls and the certification process required by U.T. System policies to ensure the adequacy 	<ul style="list-style-type: none"> <i>b.</i> Property Administration should communicate the number and value of lost and/or stolen assets to UTD management and the respective department managers. <i>c.</i> Responsibility for the Wachovia account should be transferred to the Office of Finance. The Offices of Finance and Issues in Science and Technology should work together to ensure the appropriate accounting for the Wachovia account. <p>(4) Status of Prior Year Recommendations</p> <ul style="list-style-type: none"> <i>a.</i> We continue to recommend that Property and/or the Controller’s Office: <ul style="list-style-type: none"> <i>i.</i> Work with Information Resources to ensure the Spartan Inventory System is backed up to the network and included with the offsite 	<p>through the year</p> <p>Incomplete / ongoing. Management is working on implementation plan.</p> <p>Fully implemented</p> <p>Fully implemented</p>	<p>Without proper reporting, awareness of missing assets or asset loss is reduced.</p> <p>Without proper accounting for the bank account, possibilities of errors or fraud not being detected may be increased.</p>

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			<p>of controls over the financial reporting process.</p>	<p>backup tape procedures each day to ensure the data is recoverable in the event of a disaster.</p> <ul style="list-style-type: none"> ii. Develop written policies and procedures over Property Accounting and the Spartan system. iii. Work with Information Resources and the third party vendor/consultant to create system snapshots of the database for historical reporting points in time, custom reporting, and ad hoc reporting. iv. Investigate options for Property Accounting if a solution cannot be provided for the lack of current information resources support for the Spartan system. <p>b. SIS access should be removed from the Contract and Grant Supervisor and new SIS profiles be assigned to the Assistant Controller and the Director of Business Services to allow access only to the</p>	<p>Incomplete/ ongoing. Management is working on a plan to address items ii – iv.</p> <p>Substantially implemented</p>	<p>Without proper controls over information security, proper segregation of duties may not exist and the possibility of unauthorized access to information may exist.</p>

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				<p>screens needed to perform their current duties. Also, the Director of Financial Services and the Director of Academic Records review access to the "T" screens during fiscal year 2008 to ensure proper segregation of duties.</p>		
R805	2/5/08	<i>Telecommunications</i>	<p>The objective of this audit was to provide assurance that the automated billing system is secure, effective and reliable, used in accordance with applicable laws, rules, and policies, and linked to the achievement of UTD's objectives.</p>	<p>(1) <u>Document Formal Change Management Process-</u></p> <ul style="list-style-type: none"> a. The software update process for the Pinnacle billing system (as well as other Telecom systems) should be formally documented and included as a part of overall change control procedures. b. A test environment should be developed to ensure future software updates/patches are thoroughly tested before being pushed to the production environment. The systems should be properly tested before applying a patch/update into the production 	<p>Per management these recommendations have been implemented</p> <p>Internal Audit plans to follow up in the 1st quarter of FY 2009.</p>	<p>Inadequate documentation of system upgrades may cause complications during updates or restoration.</p> <p>Without a test environment for software updates/patches, problems with such updates may not be recognized until they are put into the production environment.</p>

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				<p>environment.</p> <p>c. Formal restore procedures for all Telecommunications applications should be developed and formally documented as a part of the overall Disaster Recovery Plan. The plans should also be tested periodically to ensure the systems are recoverable in the event of disaster or complication due to a faulty vendor patch.</p> <p>(2) Formal policies and procedures to inform employees of general telecommunications usage guidelines for cellular phones, long distance, etc., should be published online. Telecommunications should ensure all policies and procedures are available in electronic format in the event the hard copies are lost. In addition, policies and procedures for reimbursing long distance calls made inadvertently should be developed and included on the Telecommunications website.</p> <p>(3) We recommend that the current long distance bill reconciliation (quarterly random sampling</p>		<p>Without proper restoration procedures, systems may become unrecoverable in the event of disasters or complications.</p> <p>Without clear departmental policies and procedures, Telecommunications may function at decreased levels of efficiency, and costs may be increased if employees are unaware of the procedures.</p> <p>Without a more</p>

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				review) be better documented as discussed in the detailed recommendation.		comprehensive and timely reconciliation of the third party carrier bills, errors could go undetected, and UTD might be paying for call activities of cellular phone accounts not related to UTD.
R807	3/13/08	<i>Engineering and Science Research Enhancement Initiative (Project Emmitt)</i>	The objective of the audit was to ensure that adequate controls exist over expenses made using the Project Emmitt funds, and that UTD has controls in place to ensure compliance with applicable policies, procedures, and guidelines over the use of these funds.	A person responsible for overall compliance with the agreement should be designated. This person should help ensure that the recommendation is implemented and educate the Emmitt account managers regarding their responsibilities toward compliance with the agreement. Because the Project encompasses so many areas on campus, management of this contract should reside at the Provost's level or higher, with oversight by the Office of the Vice President of Business Affairs to ensure all schools and administrative departments comply with the contract.	Substantially implemented Internal Audit plans to follow up in the 1 st quarter of FY 2009.	By not designating a responsible person for compliance with the overall terms of the agreement, UTD's risk of noncompliance with the contract terms and obligations is increased. For example, during this audit, we noted instances of control weaknesses over expenses and in compliance with certain contract terms, as detailed in the report.
R808	3/19/08	<i>Multicultural Center</i>	The objective of this review was to provide a consulting service to the new Vice President (VP) by reviewing the existing internal controls in the department and	The department should ensure that revenue received is deposited on a daily basis when receipts are greater than \$200 and weekly at a minimum if total receipts are less than \$200. In addition, the department should safeguard deposits by having the student worker sign the deposit log	Per management these recommendations have been implemented	The possibility exists for irregularities or theft to occur

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			providing the information necessary to assist the new VP in developing an adequate system of internal controls which will provide reasonable assurance of sound management.	<p>when deposits are made. Finally, the department should update its cash handling procedures to document procedures that are actually being followed.</p> <p>The department should ensure that a UTD Property Custody Receipt be filled out for all assets tracked by property administration before they are removed from campus. In addition, the department should work with Property Management to remove any inaccuracies in its property listing. Lastly, the signature authority listing must be updated to reflect the new organization structure.</p>	Internal Audit plans to follow up in the 1 st quarter of FY 2009.	Without effective controls, the risk of property loss is increased.
R809	4/1/08	<i>Callier Center Medical Billing System</i>	The objective of this audit was to provide assurance that the medical billing system at the Callier Center is secure, reliable, and used in accordance with applicable laws, rules, and policies.	<p>(1) The disaster recovery plan should be fully documented and tested to ensure the plan is recoverable. Also, consideration should be given to developing a plan for a network outage to allow for the temporary re-route of traffic. Callier Center should also consider purchasing a backup core switch when funds become available.</p> <p>(2) We recommend that any changes made to system critical tables be tracked and documented.</p>	<p>Per management these recommendations have been implemented</p> <p>Internal Audit plans to follow up in the 1st quarter of FY 2009.</p>	<p>Without an effective disaster recovery plan, problems related to network outages may be increased.</p> <p>Without effective change management controls, the risk of unauthorized changes is increased.</p>

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				(3) We recommend that Callier Center enhance their current policies and procedures by ensuring that key controls are included.		Without written documentation, important controls may be overlooked.
R810	4/1/08	<i>UTS165 Protecting the Confidentiality of Research Data</i>	The objective of this audit was to determine whether UTD has implemented the policies in UTS165 related to research data (<i>U. T. System Information Resources Security and Use Policy</i>).	We recommend that the Office of Research develop a formal plan to identify sensitive digital research data meet the UTS 165 policy requirements. Information Resources should consider configuration management to help secure campus workstations and servers against a set configuration baseline standard across the computing environment.	Substantially implemented Waiting on UT system policy changes.	Unauthorized access to UTD's research data. Unauthorized access to UTD's research data.
R811	6/10/08	<i>Lena Callier Trust for the Hard of Hearing and the Deaf</i>	The objective of this audit was to ensure the accuracy of financial information for the Lena Callier Trust for the Hard of Hearing and the Deaf, and to ensure compliance with the criteria established by the Trust and certain UTD policies and procedures, for fiscal year 2007. This audit is required annually at the request of the Trustee.	(1) We recommend that purchasing cardholders be reminded to maintain original receipts with their purchasing card transactions. When supervisors review the monthly activity, they should ensure that the original receipts are attached. (2) The Trust should be reimbursed \$210.47 from other gift funds. In the future, expenses using the Trust funds should be reviewed for compliance with the terms of the Trust Agreement.	Per management these recommendations have been implemented Internal Audit plans to follow up during the next annual audit.	Not maintaining original receipts increases the risk of error or fraud occurring and not being detected in a timely manner. Non-compliance with purchasing card procedures could also result in the loss of purchasing card privileges. Improper use of Trust funds may lead to violation of the terms of the Trust Agreement.

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				(3) We again recommend that purchasing cardholders be reminded that object codes should be reviewed and changed if necessary. The Controller's Office Listing of Object Codes should be reviewed when in doubt during classification of the expenses.		Without correct codes, management does not receive an accurate reporting of expenses and where resources are being applied.
R812	6/19/08	<i>Student Health Center</i>	The objective of this audit was to provide assurance that an adequate system of internal controls exists in the Student Health Center and to determine if the Student Health Center is offering the appropriate level of services for the clinical expertise available and complying with certain laws and regulations governing their operations. We also performed limited testing in the Student Counseling Center over their departmental	<p>(1) Data backups should be housed at a location separate from where the primary data is stored in the SHC to ensure data is recoverable in the event of a disaster. Also, unique user ID and password combinations should be utilized to help ensure application security and to help identify changes made. The Counseling Center should ensure that non-disclosure agreements are signed by all employees, and that administrative rights to its automated systems should be removed upon termination.</p> <p>(2) We recommend that the superbills be compared to daily customer receipts as part of</p>	<p>Incomplete/ongoing. Management is working with Information Resources to address the issues.</p> <p>Fully implemented</p>	<p>Without adequate controls over information resources, unauthorized access could occur, or data could be lost and not be retrievable.</p> <p>If superbills are not compared to final invoices, services</p>

Report No.	Report Date	Name of Report	High-Level Audit Objectives	Observations, Findings, & Recommendations	Current Status ¹	Fiscal Impact/ Other Impact
			controls and compliance with policies and procedures on counseling situations and confidentiality of information.	<p>the end-of-day cash reconciliation, and written procedures be developed documenting this process.</p> <p>(3) We recommend that the SHC digitize its policy and procedure and protocol manuals.</p> <p>(4) We recommend that the SHC develop a process to ensure that immunization records are maintained for the required ten year period.</p>	<p>Incomplete / ongoing. Approximately 50% complete with project.</p> <p>Fully implemented</p>	<p>performed that require a fee could go uncharged to the patient, increasing the risk of fraud, error, or abuse.</p> <p>Failure to have an electric copy could result in the loss of essential protocols, policies or procedures, which could disrupt the routine business of the office.</p> <p>Noncompliance with the State records retention policy could result in disciplinary action.</p>
R813	7/17/08	<i>Scholarships and Fellowships</i>	The objective of this audit was to determine that adequate controls over scholarships and fellowships are in place, and to ensure that selection of recipients and the distribution of awards were in compliance with applicable policies.	(1) Currently, the awarding and processing of scholarships and fellowships at UTD is decentralized and varies across the campus. The schools and departments do not have any written policies and procedures or protocol to follow for awarding and processing scholarships. As a result, the schools, and even the various departments within the schools, all have different awarding and processing procedures. Procedures should be developed over the processing,	Incomplete / Ongoing. Management is working on a plan to address this issue.	Lack of policies and procedures for awarding and processing could result in overawards, underawards, and noncompliance with state policies and UT System Board of Regents Rules and Regulations.

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				awarding and monitoring of scholarships as detailed in the audit report.		
R814	8/11/08	<i>Technology Workforce Development (TWD) Grants</i>	The objective of this audit was to comply with the TWD Grant conditions that require a review of the grant by the institutional internal audit staff. In accordance with the requirements, Internal Audit performed this audit to provide assurance that the grant conditions and restrictions were being adhered to by the institution.	We recommend improvements in the overall management integrity/control system for processing TWD grants to ensure compliance with THECB grant conditions, sufficient documentation, and appropriate approvals. Monitoring controls should be established, in writing, to ensure compliance with THECB requirements.	Substantially implemented	Not having the timesheets and the supervisor's documented approval could result in fraudulent or inaccurate time charges. Without appropriate documentation and authorization, error, fraud, or loss of funding could occur. Without adequate authorization, the risk of error or fictitious employees being put on the payroll is increased. Noncompliance with the grant terms could result in a loss of funding from the Coordinating Board.
R815	8/29/08	<i>Comet Cards</i>	The objective of the audit was to provide assurance that the Comet Card systems (Odyssey, IVIS, and IDentiPASS) are secure, effective and reliable, and used in accordance	We recommend that employees and students be deleted from the IDentiPASS system in a more timely manner by automating the data feeds from the HRS and SIS systems. IDentiPASS management should develop a listing of room	Substantially implemented Internal Audit plans to follow up on these	Not removing terminated employees and students in a timely manner from the IDentiPASS system increases the risk of unauthorized access to UTD's buildings, offices, and laboratories.

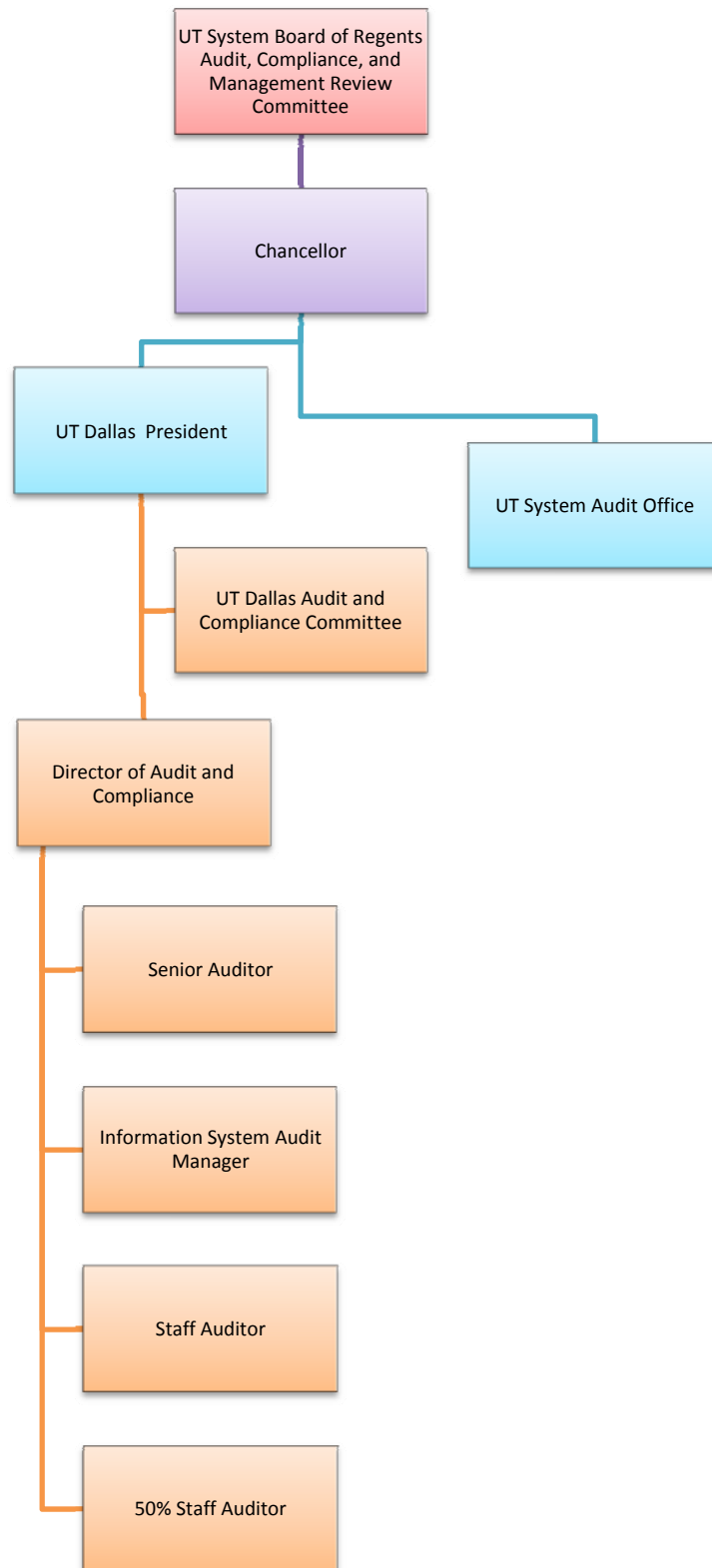
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			with applicable laws, rules, and policies.	readers/owners and a database of signature authority for the rooms/readers (and key overrides to sensitive areas) to help management efficiently process and approve door access on the approved Building Access Forms. In addition, we recommend that certain controls over IDentiPASS should be improved as detailed in the report.	during the first quarter of 2009.	Unauthorized access could result in theft, loss, or safety issues. Without a comprehensive listing of door reader owners on a signature authority listing, access may be granted to an unauthorized person.
R816	8/28/08	<i>Women's Center</i>	The objective of this review was to provide a consulting service management by reviewing the existing internal controls in the department and providing the information necessary to assist the new VP in developing an adequate system of internal controls which will provide reasonable assurance of sound management.	We recommend that the use of personal long distance phone calls using University phone be discontinued. Employees should use personal long distance phone cards if calls have to be made during business hours. For inadvertent personal long distance tolls charged to the University, the cost of the toll plus 3% should be reimbursed to the University on a monthly basis by the employee. In addition, employees should consider using other less expensive methods of obtaining phone numbers, such as the internet phone listings. We recommend that the Women's Center use the Wireless Communication Allowance offered through UTD Human Resources Management. With this option, the employee is billed directly by the	All have been implemented	Using state funds in an inefficient manner could result in a decrease in funding in future years.

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				<p>wireless communication provider and the Center reimburses the employee a predetermined amount each month via the employee’s paycheck. This amount is calculated based on business need and is approved annually by the supervisor. In the meantime, the Director of the Women’s Center should have monthly overages approved by the VP for Diversity and Community Engagements and reimburse UTD for any overages charged due to personal calls.</p> <p>We recommend that the \$24.94 for be transferred from the State account to the Center’s local account (5-2538). Also, the Center should consider establishing their own FINS account to deposit the allotted percentage of Medical Services Fees derived from tuition. This would allow the Center to manage the funds and give the University a better picture of how the funds are being spent. If purchases are made using a purchasing card with another account, the account manager of the account should sign the CAR form.</p>		

Listing of Consulting Engagements and Non-audit Services Completed Showing High-Level Objectives, Observations/Findings, Recommendations, and Implementation Status

Report No.	Report Date	Name of Report	High-Level Consulting Engagement/Non-audit Service Objectives	Observations, Findings, & Recommendations	Current Status	Fiscal Impact/ Other Impact
R806	2/29/08	<i>Endowment Fee Review</i>	The objective was to determine whether endowment management and administrative expenses determined by the Offices of Development, Student Affairs, and Finance are allowable, reasonable, and supported adequately.	It was concluded that The University of Texas at Dallas incurred approximately \$207,000 of management and administrative expenses relating to endowments for the year ending August 31, 2007. These expenses are allowable, reasonable, and supported adequately.	Not applicable	UTD received additional funding from UT System based on the information provided and audited.

Organization Chart: Internal Audit Function



Report on Other Internal Audit Activities

IMPACT	ACTIVITY
Served on University Information Resources Security Committee (Information Systems Audit Manager)	Provides independent consultation and guidance to help ensure that the university's computing environment is adequately safeguarded.
Consulted on maintenance of the administrative information systems, as needed, including PeopleSoft implementation team.	Provides independent consultation and guidance to help ensure that the risk of errors and fraudulent activities are minimized.
Participated on the University's Compliance Committee and Subcommittee.	Provides independence consultation and guidance to help ensure that institutional compliance issues are being addressed.
Facilitated the University's ethics/compliance hotline and served on committee to address calls to the hotline.	Provides independent consultation and guidance to help ensure that the risk of errors and fraudulent activities are minimized and helps ensure that institutional compliance issues are being addressed.
Participated in the Dallas Chapter of the Institute of Internal Auditors (IIA) as a Board Member, co-chair of the Certified Internal Auditor Examination Committee (Director) and photographer (Senior Auditor)	Provides a sharing of ideas, experiences, and approaches with other internal auditors and audit/business professionals.
The full-time Staff Auditor participated on the Dallas Chapter's Research Project. The research project, " <u>Confirmation Bias - Risk Perception Among Auditors in the Dallas/Ft. Worth Area</u> ," placed second nationally.	Provides a sharing of ideas, experiences, and approaches with other internal auditors and audit/business professionals.
Consulted with management, faculty, and staff with questions on various university issues such as internal controls procedures, etc.	Provides university employees with guidance and resources.
Participated in the Association of College and University Auditors as Conference Director for the 2008 Annual Conference.	Provides a sharing of ideas, experiences, and approaches with other internal auditors and audit/business professionals.
Presented to the Endorsed Internal Audit Program class on risk assessment and working papers. Supervised student auditors from the class on audit projects.	This provides opportunity to interact with students and share ideas, approaches, and audit issues.
Participated in external quality assurance reviews of The University of Texas System Audit Office and the Texas State Technical College System.	Provides a sharing of ideas, experiences, and approaches with other internal auditors and audit/business professionals.

Internal Audit Plan for Fiscal Year 2009

Fiscal Year 2009 Audit Plan		
Audit/Project	Budgeted Priority Hours	% of Total
<u>Financial Audits</u>		
FY 2008 Financial Statement Audit	500	
FY 2009 Interim Financial Statement Audit Work	100	
Presidential Travel and Entertainment Expenses Audit	80	
JAMP	50	
Financial Audits Subtotal	730	16%
<u>Operational Audits</u>		
Construction	200	
Athletics	160	
Reserve for Change in Management Audits	200	
Change in Management Audit: School of Natural Sciences and Mathematics	160	
Change in Management Audit: School of Engineering and Computer Science	60	
<i>Carryforward from FY 2008</i>		
School of Management Executive Education	180	
VP Enrollment & Center for Brain Health	40	
Operational Audits Subtotal	1,000	22%
<u>Compliance Audits</u>		
ATP/ARP Grants	120	
Lena Callier Trust, required annually by the Trust Agreement	120	
Federal Portion of the Statewide Single Audit (assistance to State Auditor's Office)	40	
Texas Schools Project (Education Research)	90	
UTS163 (Time and Effort Reporting & Cost Sharing)	200	
Contracting	100	
PCI Compliance - Payment Card (Credit Card) Industry Standards	120	
SEVIS	80	
Cash Handling (UTS 166)	180	
Student Fees	180	
Compliance Audits Subtotal	1,230	27%
<u>Information Technology Audits</u>		
TAC 202 (IT Security)	200	
UTS165 (Information Resources Security and Use Policy - includes Servers, Patching, Incident Response Procedures, Security Operations, UTD-ID)	40	
Unix	220	
UTD Marketplace System (combine with credit card industry standards audit)	160	
<i>Carryforward from FY 2008</i>		
Computer Account Requests and Authentication	80	
Information Technology Audits Subtotal	700	15%

<i>Follow-up Audits</i>			
Quarterly Follow-up of Significant Audit Recommendations		10	
Annual Follow-up Audit		100	
	Follow-up Audit Subtotal	110	2%
<i>Projects</i>			
Annual Internal Audit Report		40	
Audit & Compliance Committee		60	
FY 2010 Audit Plan		90	
PeopleSoft Steering Committee		120	
Quality Assurance Reviews for Other Audit Departments			
Reserved for Special Projects & Investigations		100	
U. T. System Requests		40	
Policies and Procedures Updates		100	
Hotline Investigations		100	
Consulting (All Areas)		100	
	Projects Subtotal	750	17%
Total Audit Plan Hours		4,520	100%
Note 1: Total Hours should equal the total number of priority hours on Appendix A. The % should be 100%.			
Note 2: During FY 2007 and FY 2008 an average of 950 hours per year of audit work was performed by students in the UTD School of Management's Internal Auditing Education Partnership (IAEP) program, under the supervision of UTD Internal Audit. During the past two years, approximately 50 students worked on audits, which comprised 25% of their grade in the course. The Audit Plan does not incorporate the student hours as their work is considered a learning experience. The time spent supervising the students is reflected in the above Audit Plan.			

External Audit Services Procured in Fiscal Year 2008

There are no external audit services that were procured or are ongoing in fiscal year 2008.