August 21, 2015

Dr. Hobson Wildenthal, President ad interim
Ms. Lisa Choate, Chair of the Institutional Audit Committee:

We are pleased to submit the annual internal audit plan for The University of Texas at Dallas. The plan was approved by the UT Dallas Institutional Audit Committee on July 19, 2015, and the UT System Board of Regents’ Audit, Compliance, and Management Review Committee on August 19, 2015. As required by Texas Government Code, Section 2102.015, we are required to post this plan on our website.

We appreciate the support that you, executive management, and the Institutional Audit Committee offer us in the performance of our responsibilities at UT Dallas.

Toni Stephens
Institutional Chief Audit Executive

c: J. Michael Peppers, UT System Chief Audit Executive

Members of the UT Dallas Institutional Audit Committee:
External Members:
  Mr. Bill Keffler
  Mr. Ed Montgomery
  Ms. Julie Knecht
Dr. Inga Musselman, Acting Provost
Dr. Calvin Jamison, Vice President for Administration
Mr. Terry Pankratz, Vice President for Budget and Finance
Mr. David Crain, Vice President and Chief Information Officer
Dr. Bruce Gnade, Vice President for Research
Dr. George Fair, Vice President for Diversity and Community Engagement; Compliance Officer
Dr. Gene Fitch, Vice President for Student Affairs
Mr. Timothy Shaw, University Attorney; ex-officio
Methodology

The UT Dallas 2016 Audit Plan outlines the internal audit activities that will be performed by Internal Audit during FY 2016 in accordance with responsibilities established by the UT System, 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 UT Dallas with the greatest risk are identified for consideration to be audited.

As part of the FY 2016 Audit Plan process, the UT System Audit Office executed a pilot risk assessment internally developed over the last year. The goals for this common risk assessment approach were to start at the top with an awareness of critical initiatives and objectives to ensure the risks assessed were the most relevant. The assessment process was standardized by creating common terms and criteria, enabling trending of risk and Systemwide comparisons. An emphasis was placed on collaboration with other functions that assess, handle, or manage risk.

The risk assessment approach was based on a top-down process that included conversations and requests for input with risk collaborators, executives, and managers from the various operating areas on campus. UT System will continue to develop and strengthen this process in the upcoming years.

The following graphic depicts how broad areas of risk scored within UT Dallas. Risk factors evaluated are likelihood, vulnerability, and impact to the achievement of an objective. Larger circles represent more critical or high risks in an area. Dark red represents the highest risks, while green represents the lowest risks.
Allocation of Time

Our staff consists of 8.5 full-time equivalent audit professionals. The FY 2016 Audit Plan budget was based on available staff hours of 13,600 and includes risk-based and required financial, operational, compliance, information technology, and follow-up audits as well as investigations, reserves for management requests, and other projects and initiatives as outlined below.
## Fiscal Year 2016 Audit Plan

### Financial Audits & Projects
- Assistance to External Auditors
- Financial Statement Certifications
- Data Warehouse Reporting
- FY 2015 Audits Carried Forward to FY 2016 (Receivables, Journal Entries)

### Operational Audits & Projects
- School of Arts, Technology, & Emerging Communication
- Honors College
- Executive Travel and Entertainment
- Assistance to UT System – President’s Travel and Entertainment
- Naveen Jindal School of Management
- Academic Advising
- Health Center
- Technology Commercialization
- One Card
- Contracts
- Gifts
- Purchasing
- Restricted Research
- Hiring and Compensation
- Faculty Start-ups
- Budget Process
- FY 2015 Audits Carried Forward to FY 2016 (Cash Management, Career Center, Policies & Procedures Governance, Scholarships, School of Engineering & Computer Science, Student Housing, Meal Plans, Tuition & Fees)

### Compliance Audits & Projects
- Confucius Institute
- Lena Callier Trust
- OMB Uniform Guidance
- Benefits Proportionality Funding
- Assistance to External Auditors
- Minors on Campus
- International Travel
- FY 2015 Audits Carried Forward to FY 2016 (Contracts & Grants, Export Controls, Pell Grants)

### Information Technology (IT) Audits & Projects
- Networking
- Financial Aid Data Analysis – Eligibility
- PCI (Payment Card Industry) Compliance
- HIPAA Security
- Staffing Data Analysis
- Databases
- IT Consulting and Participation on Implementation Teams
# Fiscal Year 2016 Audit Plan

<table>
<thead>
<tr>
<th><strong>Follow-up Audits</strong></th>
<th>Follow-up of previous audit recommendations.</th>
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</thead>
<tbody>
<tr>
<td><strong>Development - Operations</strong></td>
<td>Includes time spent on audit plan and risk assessment, internal audit committee meetings, reporting, participation on committees, quality assurance, software development and maintenance, leadership, and training provided to university community.</td>
</tr>
<tr>
<td><strong>Development – Initiatives &amp; Education</strong></td>
<td>Includes time spent on strategic and quality initiatives, participation and presentations related to professional organizations, and continuing professional education.</td>
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<tr>
<td><strong>Reserve for Investigations, Consulting, and Special Requests from Management</strong></td>
<td>Reserve for investigations, requests from management, new leadership reviews, etc.</td>
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