



## **Fiscal Year 2024 Internal Audit Annual Report**

INTERNAL AUDIT DEPARTMENT  
3900 UNIVERSITY BOULEVARD  
TYLER, TEXAS 75799

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**Purpose of the Internal Audit Annual Report**

The purpose of this Internal Audit Annual Report is to provide information on the assurance services, consulting services, and other activities of the internal audit function. In addition, the annual 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 of each year and submitted to the Governor, the Legislative Budget Board, the State Auditor's Office (SAO), and the entities' governing boards and chief executives. The report was prepared using the guidelines provided by the Texas State Auditor's Office. Additional information regarding The University of Texas at Tyler (UT Tyler) Internal Audit Department can be found at the following website: <https://www.uttyler.edu/offices/internal-audit/>.

**I. Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan and Internal Audit Annual Report on the Website**

Texas Government Code, Section 2102.015, requires state agencies and higher education institutions, as defined in the statute, to post certain information on their websites. Below is a summary of the provisions of that statute.

Within 30 days of approval, an entity should post the following information on its website:

- The approved fiscal year 2025 audit plan, as required by Texas Government Code, Section 2102.008
- The fiscal year 2024 internal audit annual report, as required by Texas Government Code, Section 2102.009

The above reports are considered to be approved if they are approved by an entity's governing board or by the chief executive if the entity does not have a governing board.

Texas Government Code, Section 2102.015, also requires entities to update the posting described above to include the following information on their websites:

- A "detailed summary of the weaknesses, deficiencies, wrongdoings, or other concerns, if any, raised by the audit plan or annual report."
- A "summary of the action taken by the agency to address the concerns, if any, that are raised by the audit plan or annual report."

Texas Government Code, Section 2102.015, also specifies that an entity "is not required to post information contained in the agency's internal audit plan or annual report if the information is excepted from public disclosure under Chapter 552 [of the Texas Government Code]."

The UT Tyler Internal Audit Department (IAD) complies with these requirements by posting the Fiscal Year

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(FY) 2024 Internal Audit Annual Report, FY 2025 Annual Audit Plan, and other audit information on its website at <https://www.uttyler.edu/internal-audit/reports/>. Each periodic internal audit report is submitted as required throughout the year.

**Texas Government Code Section, 2102.015:**

A summary table of audit report recommendations is included on the following pages to fulfill Texas Government Code Section, 2102.015 website posting requirements.

Reference Exhibit B: FY 2024 Audits - Summary of Issues and Current Status

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**II. Internal Audit Plan for Fiscal Year 2024**

<b>FY 2024 Audit Plan</b>	<b>Project No.</b>	<b>Original Budget</b>	<b>Budget Adjustments</b>	<b>Revised Budget</b>	<b>Actual Hours Through 8/31/24</b>	<b>Remaining Budgeted Hours</b>	<b>Status</b>
<b>Assurance Engagements</b>							
Controlled Property Audit	24-1	500.0	0.0	500.0	455.50	44.50	Exit Conference Completed - Awaiting Management Responses
Employee Off-Boarding Audit	24-2	500.0	0.0	500.0	494.00	6.00	Exit Conference Completed - Awaiting Management Responses
Privileged Access Management - Domain Administrator Accounts	24-3	500.0	0.0	500.0	505.00	-5.00	Completed
Epic Account Deactivation Review	24-4	300.0	0.0	300.0	335.00	-35.00	Completed
Review of Employee Job Description Filing Processes	24-5	400.0	0.0	400.0	371.25	28.75	Completed
FY23 Wrap-Up	24-22	0.0	100.0	100.0	89.25	10.75	Hours allocated for the completion of FY23 projects - 23-1, 23-5, 23-13, 23-14, and 23-25. Completed
<b>Assurance Engagements Subtotal</b>		<b>2,200.0</b>	<b>100.0</b>	<b>2,300.0</b>	<b>2,250.00</b>	<b>50.00</b>	
<b>Advisory and Consulting Engagements</b>							
Ad Hoc Consulting and Advisory Services Requested by Management related to Emerging Risks	24-6	500.0	-450.0	50.0	36.50	13.50	Budget adjustment for addition of projects 24-23, 24-24, and 24-25
Executive Meetings, Meetings with Management, Institutional Committees	24-7	500.0	0.0	500.0	447.00	53.00	Completed
UTHSCT & UT Health East Texas Clinical Operations Management Agreement (COMA) Review	24-8	150.0	0.0	150.0	49.00	101.00	Fieldwork nearing completion
Data Analytics Program	24-9	300.0	0.0	300.0	288.00	12.00	Completed
Food Services Review	24-10	200.0	0.0	200.0	2.00	198.00	Removed - change in risk landscape
Student Housing Review	24-11	200.0	0.0	200.0	1.00	199.00	Removed - change in risk landscape
University Advancement Endowment Balances Review	24-12	200.0	0.0	200.0	93.50	106.50	Completed
Review of Historical Instances of Endowment Overspending	24-13	200.0	0.0	200.0	0.00	200.00	Removed - change in risk landscape
Consulting and Advisory Services related to any Research Department Integration Efforts, as identified by new leadership	24-14	200.0	-150.0	50.0	6.10	43.90	Budget adjustment for addition of project 24-23. Completed
Research Consulting Review	24-23	0.0	375.0	375.0	359.00	16.00	Completed
Procurement Consulting Review	24-24	0.0	150.0	150.0	109.75	40.25	Completed
Cost Center Budget Transfer Review	24-25	0.0	150.0	150.0	150.25	-0.25	Completed
<b>Advisory and Consulting Engagements Subtotal</b>		<b>2,450.0</b>	<b>75.0</b>	<b>2,525.0</b>	<b>1,542.10</b>	<b>982.90</b>	
<b>Required Engagements</b>							
State Institution of Higher Education Contracting Assessment	24-15	40.0	0.0	40.0	39.00	1.00	Completed
Family Medicine Residency Program Grant Audit FYE 8/31/2023	24-16	125.0	0.0	125.0	124.75	0.25	Completed
Financial Statement Audit Assistance	24-17	50.0	0.0	50.0	0.00	50.00	N/A - Assistance not requested
CPRIT Grant External Audit (assistance to management)	24-18	30.0	0.0	30.0	0.00	30.00	N/A - Assistance not requested
NCAA Agreed Upon Procedures (AUP)	24-19	30.0	0.0	30.0	8.00	22.00	Completed
TEC 51.3525 Compliance Audit	24-26	0.0	200.0	200.0	174.75	25.25	Completed
<b>Required Engagements Subtotal</b>		<b>275.0</b>	<b>200.0</b>	<b>475.0</b>	<b>346.50</b>	<b>128.50</b>	

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<b>FY 2024 Audit Plan</b>	<b>Project No.</b>	<b>Original Budget</b>	<b>Budget Adjustments</b>	<b>Revised Budget</b>	<b>Actual Hours Through 8/31/24</b>	<b>Remaining Budgeted Hours</b>	<b>Status</b>
<b>Investigations</b>							
Investigations	24-20	250.0	0.0	250.0	0.00	250.00	N/A - Assistance not requested
<b>Investigations Subtotal</b>		<b>250.0</b>	<b>0.0</b>	<b>250.0</b>	<b>0.00</b>	<b>250.00</b>	
<b>Reserve</b>							
Reserve for Ad-Hoc Engagements	TBD	400.0	-375.0	25.0	0.00	25.00	Budget adjustment for addition of projects 24-22, 24-23, and 24-26
<b>Reserve Subtotal</b>		<b>400.0</b>	<b>(375.0)</b>	<b>25.0</b>	<b>0.00</b>	<b>25.00</b>	
<b>Follow-Up</b>							
Implementation Status Tracking	24-21	300.0	0.0	300.0	298.00	2.00	Completed
<b>Follow-Up Subtotal</b>		<b>300.0</b>	<b>0.0</b>	<b>300.0</b>	<b>298.00</b>	<b>2.00</b>	
<b>Development - Operations</b>							
Annual Risk Assessment and Audit Plan		400.0	0.0	400.0	397.25	2.75	Completed
Institutional Audit Committee		500.0	0.0	500.0	496.00	4.00	Completed
Quality Initiatives		400.0	0.0	400.0	393.75	6.25	Completed
External Reporting/Requests		200.0	0.0	200.0	284.00	-84.00	Completed
Audit Management Software, IT Support, and Website Maintenance		250.0	0.0	250.0	277.65	-27.65	Completed
Staff Meetings		350.0	0.0	350.0	524.00	-174.00	Completed
CAE Update/Collaborative Meetings		150.0	0.0	150.0	139.50	10.50	Completed
<b>Development - Operations Subtotal</b>		<b>2,250.0</b>	<b>0.0</b>	<b>2,250.0</b>	<b>2,512.15</b>	<b>-262.15</b>	
<b>Development - Initiatives and Education</b>							
System Audit Office Initiatives		250.0	0.0	250.0	316.25	-66.25	Completed
Professional Organization/Association Participation		400.0	0.0	400.0	385.50	14.50	Completed
Individual Continuing Professional Education (CPE)		350.0	0.0	350.0	581.00	-231.00	Completed
Institutional Trainings		225.0	0.0	225.0	243.50	-18.50	Completed
Audit Software Implementation		150.0	0.0	150.0	290.00	-140.00	Completed
<b>Development - Initiatives and Education Subtotal</b>		<b>1,375.0</b>	<b>0.0</b>	<b>1,375.0</b>	<b>1,816.25</b>	<b>-441.25</b>	
<b>Total Budgeted Hours</b>		<b>9,500.0</b>	<b>0.0</b>	<b>9,500.0</b>	<b>8,765.00</b>	<b>735.00</b>	

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**Benefits Proportionality Audit Requirements:**

Rider 8, page III-55, the General Appropriations Act (88th Legislature, Conference Committee Report), requires that higher education institutions consider audits of benefits proportional when developing their annual internal audit plans.

Benefits Proportional was considered when UT Tyler was conducting the annual risk assessment, but due to this being low risk, the decision was made to audit the higher risk areas.

**Senate Bill 20 / Texas Education Code, Section 51.9337:**

Senate Bill 20 (84<sup>th</sup> Legislative Session) made several modifications and additions to Texas Government Code (TGC) and Texas Education Code (TEC) related to purchasing and contracting. 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.”* IAD conducted this required assessment for FY 2024 and found the following:

Based on review of current Institutional policies and procedures, UT System policies and procedures, and the UT System Board of Regents’ *Rules and Regulations*, UT Tyler has generally adopted all the rules and policies required by TEC §51.9337. Review and revision of these policies is an ongoing process. These rules and policies will continue to be assessed annually to ensure continued compliance with TEC §51.9337.

**III. Consulting Services and Nonaudit Services Completed**

<b>Report Date</b>	<b>Report Title</b>	<b>High-Level Objective</b>	<b>Results</b>
No Formal Report	Ad Hoc Consulting and Advisory Services Requested by Management related to Emerging Risks	To provide ad hoc consulting and advisory services for specific requests on emerging risks.	Internal Audit aided as an advisory in projects that were related to Emerging Risks
No Formal Report	Executive Meetings, Meetings with Management, Institutional Committees	To participate in an advisory role on Executive Management meetings, Institutional Committees, and in meetings held with Management on risk-based items.	Internal Audit served in an advisory capacity on several standing and ad-hoc committees, and workgroups, many of which were reflective of and incorporated the continued integration of various UT Tyler departments.

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No Formal Report	Consulting and Advisory Services related to any Research Department Integration Efforts, as identified by new leadership	To assist in an advisory role for any projects related to the Research Department integration efforts.	Internal Audit aided as an advisory in projects that were related to Research that focused on integration, as identified by new leadership.
No Formal Report	Data Analytics Program	To develop and deliver reports using data analytics software for Institutional clients as requested such as Procurement Cards, Balance Forwards, Journal Entry Approvals, and Duplicate Vendor/Payments.	Internal Audit, with the assistance of the UT System Audit Office, developed and delivered reports using data analytics software for Institutional clients as requested in an advisory capacity.
September 14, 2023	Cowan Center Review	Limited review to understand the business model, policies, processes, and financial status for the Cowan Center/	Internal Audit conducted a limited review as requested to provide leadership with information concerning the Cowan Center operations.
September 14, 2023	Discovery Science Place Review	To review current contract between DSP and UT Tyler and to review the DSP business model, DSP Board composition, and financial status.	Internal Audit conducted a limited review as requested to provided management with information concerning the Discovery Science Place.
November 15, 2023	Research Consulting Review	To perform a limited review of both the MAC2v3 and ACTIV Projects Grants to review billing, invoice, and invoice status on MAC2v3 and to review payment receipt procedures for ACTIV Projects.	Internal Audit conducted a limited review of the MAC2v3 and ACTIV Projects Grants to provide recommendations based on the results.
December 15, 2023	Procurement Consulting Review	To gain an understanding of the Procurement Department on UT Tyler main campus and review current processes against UTS 156 and the State of Texas Procurement and Contract Management Guide.	Internal Audit conducted a limited review of the Procurement Department processes to provided recommendations based on the results.



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December 20, 2023	University Advancement Endowment Balances Review	To review endowment expenditures and balances for compliance with UT System policies.	Internal Audit performed a limited review of the FY 2023 Endowment Compliance Annual Audit Report for compliance with UT System policies.
December 22, 2023	Cost Center Budget Transfer Review	To perform a limited review of two specific cost centers' transactions and review of a targeted sample.	Internal Audit conducted a limited review of the cost centers specified by management to provide recommendations based on the results.

**IV. External Quality Assurance Review (Peer Review)**

Baker Tilly was engaged to conduct an independent validation of the IAD's self-assessment with the assistance of an internal audit executive from a peer institution, which was completed in November of 2023. The primary objective of the validation was to verify the assertions made in the self-assessment report concerning adequate fulfillment of the organization's expectation of the internal audit activity and its conformity to the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics, Generally Accepted Government Auditing Standards, and relevant requirements of the Texas Internal Auditing Act.

Based on Baker Tilly's independent validation of the self-assessment performed by the IAD, the internal audit function received an overall rating of "Generally Conforms" with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics. 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.

Reference Exhibit A: External Quality Assessment Review Executive Summary

**V. Internal Audit Plan for Fiscal Year 2025**

The FY 2025 Audit Plan was primarily developed based upon the results of the institution-wide risk assessment completed in FY 2024, which focused on UT Tyler's critical strategic and operational objectives

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and related risks. To identify audits and projects for the plan, the IAD considered the level of risk for strategic and operational objectives and monitoring activities of the risks performed internally and externally. In addition, audits and projects externally required or requested by UT System or the Board of Regents were also included in the plan.

**Fiscal Year 2025 Audit Plan**

Project Name	Budget
<b>Assurance Engagements</b>	
Patch and Configuration Management Audit	500
Medical Devices Audit	500
Research Time and Effort Audit	550
Finance Post-Awards Review Audit	450
FY24 Wrap-Up	150
<b>Assurance Engagements Subtotal</b>	<b>2150</b>
<b>Advisory and Consulting Engagements</b>	
Ad Hoc Consulting and Advisory Services Requested by Management related to Emerging Risks	500
Executive Meetings, Meetings with Management, Institutional Committees	500
UTHSCT & UT Health East Texas Clinical Operations Management Agreement (COMA) Review	200
Data Analytics	250
University Advancement Endowment Balances Review	150
Fisch College of Pharmacy Policy Consulting Review	120
TEC 51.3525 Compliance Review	300
<b>Advisory and Consulting Engagements Subtotal</b>	<b>2020</b>
<b>Required Engagements</b>	
State Institution of Higher Education Contracting Assessment	50
Family Medicine Residency Program Grant Audit FYE 8/31/2024	150
Financial Statement Audit Assistance	50
CPRIT Grant External Audit (assistance to management)	50
FY25 THECB Facilities Audit	100
<b>Required Engagements Subtotal</b>	<b>400</b>
<b>Investigations</b>	
Investigations	200
<b>Investigations Subtotal</b>	<b>200</b>
<b>Reserve</b>	
Reserve for Ad-Hoc Engagements	500
<b>Reserve Subtotal</b>	<b>500</b>

**V. Internal Audit Plan for Fiscal Year 2025, Continued**

Project Name	Budget
<b>Follow-Up</b>	
Implementation Status Tracking	300
<b>Follow-Up Subtotal</b>	<b>300</b>
<b>Development - Operations</b>	
Annual Risk Assessment and Audit Plan	500
Institutional Audit Committee	500
Quality Initiatives and Updated Standards	300
External Reporting/Requests	250
Audit Management Software, IT Support, and Website Maintenance	225
Staff Meetings	400
CAE Update/Collaborative Meetings	200
<b>Development - Operations Subtotal</b>	<b>2375</b>
<b>Development - Initiatives and Education</b>	
System Audit Office Initiatives	300
Professional Organization/Association Participation	400
Individual Continuing Professional Education (CPE)	400
Institutional Trainings	250
Audit Software Implementation	225
<b>Development - Initiatives and Education Subtotal</b>	<b>1575</b>
<b>Total Budgeted Hours</b>	<b>9520</b>

**Other High-Level Risks:**

Additional critical and high risks that were identified but not included in the FY 2025 Audit Plan are related to the following:

- Administration, strategic planning, and growth
- Compliance with regulations including pharmacy, and disclosure requirements
- Safe campus environment and housing

While related engagements are currently not part of the FY 2025 Annual Audit Plan, there are other mitigating activities underway that address the objectives at risk.

**Risk Assessment Process:**

The UT Tyler FY 2025 Audit Plan was prepared using a risk-based approach developed by the University of Texas System to ensure that areas and activities specific to UT Tyler with the greatest risk were identified for consideration to be audited.

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The goals for this risk assessment approach were to start with an awareness of critical 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 requests for input with risk collaborators, executives, and managers from the various operating areas on campus to review the activities and associated risks in their areas. During the risk assessment, risks associated with research, foreign influence, construction, segregation of duties, travel and entertainment expenses, non-compliance with TEC 51.3525, Practice Plan, information technology related to Title 1, Texas Administrative Code, Chapter 202; Benefits Proportionality; and compliance with contract processes and controls according to Texas Government Code, Section 2102.005(b) were considered. An emphasis was placed on collaboration with other functions that assess, handle, or manage risk. The risk assessment and subsequent Audit Plan were reviewed and approved by members of executive management and the Institutional Audit Committee.

## **VI. External Audit Services Procured in Fiscal Year 2024**

External Audit Services for the year ending August 31, 2024, were provided as follows:

- Statewide Desk Audit Payment Approval Authority and Security by Texas Comptroller of Public Accounts
- University Academy Finance Audit by Belt Harris Pechacek
- UT HSC Tyler CPRIT Audit by Deloitte
- Post-Payment Audit – HSC by Texas Comptroller of Public Accounts
- Post-Payment Audit – Main Campus by Texas Comptroller of Public Accounts
- NCAA AUP by Baker Tilly
- DEFEAT Breast Cancer Screening Study by CPRIT
- FY 2023 Single Audit Evaluation Management Letter by THECB

## **VII. Reporting Suspected Fraud and Abuse**

Actions taken by UT Tyler to comply with the following requirements are summarized below:

### **Sec. 7.09 General Appropriations Act (88<sup>th</sup> Legislature, Conference Committee Report)**

*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 by:*

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- 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.*

The University has a link for fraud reporting on the University's home page at <https://www.uttyler.edu/> which provides information on how to report suspected fraud, waste, and abuse involving state resources directly to the State Auditor's Office (SAO). This includes the SAO's fraud hotline, a link to the SAO's website, and UT Tyler's policies for reporting suspected fraud. The Institution has also included information on how to report suspected fraud involving State funds to the State Auditor's Office in its False Claims, Fraud, Waste, Abuse, and Other Misconduct, 1.21, in the Handbook of Operating Procedures (HOP).

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 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.*

UT System has implemented UTS Policy 118, which includes a reference link to the TGC §321.022. This policy is applicable to all UT System institutions, including UT Tyler. The policy states that "Systemwide Chief Inquiry Officer for the U. T. System is the designated investigation coordinator responsible for tracking and coordinating investigations conducted by U. T. System of allegations of misconduct, Dishonest or Fraudulent Activity, and allegations of misconduct against institutional presidents." The UT Tyler President is knowledgeable about the policy requirements and his reporting responsibilities to the State Auditor. UT Tyler reports such activities to the State Auditor's Office via the following website: <https://sao.fraud.texas.gov/>.

**Reference Exhibit A: External Quality Assessment Review Executive Summary**

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November 2023

Mr. Stephen Ford Jr., Chief Audit Executive  
University of Texas at Tyler

In June 2023, The University of Texas at Tyler (UT Tyler) internal audit (IA) function, the Internal Audit Department, 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). UT Tyler IA engaged an independent review team consisting of internal audit professionals with extensive higher education and healthcare experience to perform an independent validation of IA' 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 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 are judged to be in conformance with the *Standards*. "Partially conforms" means deficiencies in practice 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 IA, we agree with IA' 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 IA' 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 UT Tyler 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 UT Tyler.

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

Very truly yours,

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

Baker Tilly US, LLP

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**Exhibit B: FY 2024 Audits – Summary of Issues and Current Status**

Texas Government Code, Section 2102.015 requires state agencies and institutions of higher education to post to the institution’s website:

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

Report Date	Name of Report	Recommendation	Action Plan	Status/Actions
9/22/2023	Controlled Substance Agreements Audit	UT Tyler HSC Management should consider implementing processes that will allow its clinics, providers, and leadership to readily and accurately identify all patients who require a controlled substance agreement, as per the language in its policy, in order to monitor which patients will need an agreement upon their next appointment.	UT Tyler HSC management will develop and implement processes that will allow providers, clinics and leadership to readily and accurately identify all patients who require a controlled substance agreement, as per the language in its policy, in order to monitor which patients will need an agreement upon their next appointment	Completed
9/22/2023	Controlled Substance Agreements Audit	UT Tyler HSC Management should consider implementing processes that will allow its clinics, providers, and leadership to readily and accurately identify all patients who are currently on a controlled substance agreement, to identify the patients that need to be in compliance with the 13 testing attributes listed above and to provide continuous monitoring for the attributes that are outstanding for identified patients.	"UT Tyler HSC management will develop and implement processes that will allow its providers, clinics, and leadership to readily and accurately identify all patients who are currently on a controlled substance agreement, to identify the patients that need to be in compliance with the 13 testing attributes listed in the audit, and to provide continuous monitoring for the attributes that are outstanding for identified patients."	Completed

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<b>Report Date</b>	<b>Name of Report</b>	<b>Recommendation</b>	<b>Action Plan</b>	<b>Status/Actions</b>
9/22/2023	Controlled Substance Agreements Audit	UT Tyler HSC Management should ensure patient MRN information within the report matches what is listed in the current EMR, Epic, for each patient.	Data report will be reviewed for accurate MRN/patient. The data report for recent audit was obtained via IT report, which captured some data from the transition period between Meditech to EPIC. Moving forward, we will request for Epic report.	Completed
9/22/2023	Controlled Substance Agreements Audit	UT Tyler HSC Management should consider executing a controlled substance agreement for each of the identified patients. In addition, Management should continue training efforts and share best practices amongst the clinics to ensure all clinics are aware of the controlled substance agreement requirements specified by Institutional policy and put into practice.	Previous education regarding controlled substance agreement has been provided. Ongoing education and reminders will be provided to providers and clinic managers. This can also be a part of provider/staff orientation.	Completed
9/22/2023	Controlled Substance Agreements Audit	UT Tyler HSC Management should consider implementing a process for documenting PMP checks performed in Epic. As part of the Epic implementation process, Management should work to ensure PMP checks performed are automatically documented in the EMR.	We will discuss with EPIC IT regarding time stamp of PDMP checks within the chart when accessed/reviewed. The time stamp of the PDMP review is noted in the history report of PDMP website, however, not readily accessible within Epic EHR. An Epic Report can be generated to review the PDMP checks, however, there are some inaccuracies on this list as well.	Completed



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9/22/2023	Controlled Substance Agreements Audit	UT Tyler HSC Management should consider training and processes to ensure documentation is uploaded in accordance with the Controlled Substance policy and each line item is complete and agreed to on the Patient Agreement and Informed Consent for Controlled Substance Therapy form.	Pending review of Controlled substance policy. Ongoing education to providers and clinic leadership regarding expectation and completion of Controlled substance agreement.	Completed
9/22/2023	Controlled Substance Agreements Audit	A review of the identified policies should be performed, a reference added for House Bill 3284 in Policy #5777477 "Controlled Substance," and to also update the policy to include the revised Texas Administrative Code Rule §170.3 Minimum Requirements for the Treatment of Chronic Pain as an attachment. Leadership should also consider a revision to the current Patient Agreement and Informed Consent for Controlled Substance Therapy form template to include the controlled substance being prescribed and agreed upon by the provider and patient.	Pending review for UT Health controlled substance policy. This is an opportunity to have a unified policy and protocol for all UT health clinics. The current controlled substance policy is due for review.	Completed

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Report Date	Name of Report	Recommendation	Action Plan	Status/Actions
9/22/2023	Incident Detection and Response Audit	Excepted from Public Disclosure under Texas Government Code Chapter 552		Completed
1/12/2024	Family Medicine Residency Program Annual Financial Report Audit for Fiscal Year Ended August 31, 2023	None		N/A
2/28/2024	Epic Account Deactivation Review	Excepted from Public Disclosure under Texas Government Code Chapter 552		Completed
4/24/2024	Review of Employee Job Description Filing Processes Audit	Tying in to Opportunity #1 above, UT Tyler HR should consider developing a method to ensure all job descriptions for UT Tyler employees and their supervisors are signed and accessible to the employee and their supervisor for their review in order to establish a consistent process across the Institution.	Agree with recommendation to consider aligning processes across UT Tyler. During the ongoing integration of UTT Main and UTT HSC, HR has already required that job descriptions are reviewed and updated prior to submitting to Position Review Committee. HR will continue to align current practices of drafting job descriptions for both campuses. The transition to PeopleSoft UT Share will allow HR to evaluate the use of Performance Management, electronic processes within the PS Shared environment and other 3rd party vendor options.	In Process

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Report Date	Name of Report	Recommendation	Action Plan	Status/Actions
4/24/2024	Review of Employee Job Description Filing Processes Audit	UT Tyler HR should draft, implement, and provide training on this written policy and/or the process(es) regarding job descriptions and expectations for all of UT Tyler.	<p>Agree with recommendation. Human Resources (HR) will develop internal written procedures to outline the processes regarding job descriptions. Training will be included for internal HR staff and included in future training with external departments.</p> <p>During the ongoing integration of UTT Main and UTT HSC, HR will align current practices of drafting job descriptions for both campuses. The transition to PeopleSoft UT Share will allow HR to evaluate the use of Performance Manager, electronic processes within the PS Shared environment and other 3rd party vendor options.</p> <p>Currently job descriptions are required before positions are submitted to the Position Review Committee (PRC). UTT HSC files employee job descriptions in Performance Manager and employee files. UTT Main tracks and files employee job descriptions in HR Shared electronic files.</p> <p>Employees and managers currently have access to their job descriptions, HR sends the most recent document to the employee or supervisor upon request.</p>	In Process

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Report Date	Name of Report	Recommendation	Action Plan	Status/Actions
4/24/2024	Review of Employee Job Description Filing Processes Audit	UT Tyler HR should ensure that every employee has the required license/certification, as required per the job description, or consider modification of the job description if the license/certification is no longer required to perform the duties of the job.	<p>Agree with recommendation.</p> <p>HR works closely with department managers and leaders to ensure existing job descriptions are accurate in regards to certification/licensing requirements for the position.</p> <p>HR monitors monthly and informs employees and managers, and department leaders of expiration dates and to ensure employees maintain required current licenses/certifications specified for each position.</p> <p>HR will evaluate job descriptions that require a driver’s license to confirm there is a business need. Some positions are no longer required to drive vehicles as historic business practices have evolved. The SAMA certification requirement was not required for the new position within the Smith County Jail. This is a new contract obtained by UTT HSC and the position requirements are still under review as the institution acquired employees from a third-party contract.</p>	Completed
4/29/2024	Privileged Access Management – Domain Administrator Accounts Audit	Excepted from Public Disclosure under Texas Government Code Chapter 552		In Process