



Office of Internal Audits



Internal auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the University's operations. It helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Texas Government Code, Title 10, Subtitle C, Chapter 2102, requires all institutions of higher education and state agencies with an annual operating budget exceeding \$10 million and with more than 100 full-time equivalent employees to have an internal auditing program.

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Types of services performed include:

- **Assurance Services (audits)** – an objective assessment of evidence in order to provide an independent opinion or conclusion. The audit may focus on accuracy of data; compliance with policies, laws and regulations; assurances that resources are acquired economically and used efficiently, that programs, plans and objectives are achieved, or that quality and continuous improvement are fostered in controls and governance processes.
- **Consulting Services** – are advisory in nature where the services performed are at the request of the regents, the president and management and intended to add value and improve effectiveness.
- **Investigations and Special Reviews** – investigations are performed when complaints or tips are received or when evidence or indications of fraud exist. Policies and procedures can be reviewed to prevent the likelihood of potential fraud from occurring or recommend ways to prevent or detect occurrences in the future.

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Authority – the office functions in accordance with the Office of Internal Audits Charter and the policies established by the University's Board of Regents. The Director of Internal Audits is hired by the Board of Regents and reports functionally (directly) to them and reports administratively to the President. This reporting structure gives the Director the high degree of independence and authority to have full, free and unrestricted access to all functions, activities, property, information systems, personnel, and records.

Oversight – guidelines are established for state internal auditing programs by the Texas Internal Auditing Act; The International Standards for the Professional Practice of Internal Auditing, the Code of Ethics, and the International Professional Practices Framework promulgated by The Institute of Internal Auditors; and Generally Accepted Government Auditing Standards.

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Budgeted Accounts (does not include salaries)

Account Title	Fund	FY17 Budget	FY18 Request	FY18 Increase
M&O	21200 1200 22	\$51,938	\$51,938	-0-
Professional education & travel	21200 1200 22	\$3,500	\$3,500	-0-

The Office is currently staffed by one employee, the Director. The hiring of an additional auditor in March 2017 was approved by the Board of Regents in May 2015.

Director – Leigh Kidwell, CPA, CGMA
Auditor – vacant

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Resources are used to perform audits required by law, special projects, investigations, meetings, committee service and administrative tasks to run the office as defined each year by the Audit Plan.

Texas Government Code, Section 2102 requires the University to prepare an annual plan to identify the individual audits that will be conducted. The plan must be submitted to the Board of Regents for approval.

The Audit Plan for fiscal year 2018 is still a work in progress, however the audits required by law are listed below as reported in the fiscal year 2017 plan.

Audit Projects	FY 2017	FY 2018
Audit assistance to oversight agencies	X	X
Public Funds Investment Act		X
National Collegiate Athletic Assoc. Review	X	
Information Security Controls	X	X
External Quality Assurance (Peer) Review	X	
Risk based and other audits	X	X

