



State Auditor's Office Fiscal Year 2021 Annual Internal Audit Report

Ninette Caruso
Chief Audit Executive

October 29, 2021



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The Honorable Greg Abbott
Governor, State of Texas
State Capitol Extension, Room
E1.304 Austin, Texas 78701

Dear Governor Abbott: (f T)-1.6 (ent.8)-1 (tt:)TJC /H2 2 M.62 (01)T21.3(cut)1.6 (i)3.5 ered terib (l)
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We are pleased to present the State Auditor's Office Fiscal Year 2021 Annual Report for
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I. Compliance with Texas Government Code, Section 2102.015

The Texas Internal Auditing Act (Texas Government Code, Section 2102.015: Publication of Audit Plan and Annual Report on Internet) requires that the internal audit plan and the internal audit annual report be posted on the institution's website. Accordingly, the UNT System Internal Audit department has posted this FY21 Annual Internal Audit Report and the approved FY22 Audit Plan at the following website: <https://www.untsystem.edu/internal-reference-documents>.

II. Internal Audit Plan for Fiscal Year 2021

The UNT System 2021 Audit Plan outlined the internal audit activities to be performed by Internal Audit during FY21 in accordance with responsibilities established by the UNT System Regent Rule, 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, consistent with the UNT System Internal Audit Charter.

Audits that were deferred or canceled were approved by the UNT System Board of Regents, and as applicable were carried forward to the FY22 audit plan. Internal Audit conducted a higher volume of consulting services in FY21 from previous years due to a number of system enhancements. See detail at section III.



	Testing Process		
NA	School of Medicine Financial Review	Cancel	NA
FY20 Audits Issued in FY21			
20-013	NCAA Compliance	Issued	09/21/20
20-032	Grants and Contracts Compliance	Issued	09/28/20
20-035	Effort Certification Process	Issued	09/25/20

Benefits Proportionality:

The Benefits Proportionality Audit (report #21-031) was performed to address the audit requirement prescribed in Rider 8, page III-48, the General Appropriations Act (85th Legislature).

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Texas Education Code 51.9337(h):

As required by TEC 51.9337(h), Internal Audit submitted a report to the State Auditor's Office on October 5, 2020, which assessed the work performed in FY20.

III. Consulting Services and Nonaudit Services Completed

Report Number	Management Advisory Name	High -Level Objective	Report Date	Summary of Recommendation
21-004	Dallas Budget Process	Assess the effectiveness of the governance, risk management, and processes surrounding budget planning, preparation, and implementation.	05/11/21	Recommendations relates to budget methodology and approach as well as process guidelines

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21-021	Contract Management Lifecycle	Assess the effectiveness of the governance, risk management, and control processes surrounding the contract management, procurement, and accounts payable functions within the lifecycle.	06/24/21	Recommendations relates to vendor management, manual activities within accounts payable department, purchase order utilization, working capital, security acc (r)TJ-0.001
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21-043	UNT Embassy of the Federal Republic of Germany	Examined the expenditure report prepared at the conclusion of the project, funded by a donation from the Embassy of the Federal Republic of Germany to the University of North Texas.	07-1.027 TI
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Appendix A: Fiscal Year 2022 Internal Audit Plan

Institution	Overall Rating	Engagement Name	Business Outcome	Total Budget Hours
MANDATORY ENGAGEMENTS				
DAL	High	JAMP	The institution is in compliance with JAMP Agreement requirements and the JAMP Expenditure Guidelines.	275
HSC	High	Faculty Development	Texas Higher Education Coordinating Board (THECB) program funds were expended in accordance with the terms and conditions of the Faculty Development Center Support Grant contract. Also, the Annual Financial Report was prepared in accordance with THECB guidelines.	275
HSC	High	Family Medicine	THECB program funds were expended in accordance with the terms and conditions of the Family Medicine Residency Program contract. Also, the Annual Financial Report was prepared in accordance with the THECB guidelines.	275
SYS	High	Senate Bill 20 Contracting Compliance Assessment	The University of North Texas System has adopted the rules and policies required by SB 20 as part of the annual Texas Education Code § 51.9337 (h) requirement. The audit will focus on substantive testing to ensure controls surrounding the contracting process are effective and adhere with the SB 20 regulation.	275
SYS	Medium	Public Funds Investment Act	Investing activities are effective and efficient with: -0 0 8.21333. (t)-16.(t)(i)3.2 (o)-ihE29	