

# **Administrative and Educational Support Report**

**Office of Internal Audits**

**Annual Action Plan**  
**Annual Assessment Report**

**June 2004 – May 2005**



**Annual Action Plan: June 1, 2004–May 31, 2005**

**Unit:** Office of Internal Audits

**UTPA Mission:** The University of Texas-Pan American (UTPA) serves the higher education needs of a rapidly growing, international, multicultural population in the South Texas Region. The University preserves, transmits and creates knowledge to serve the cultural, civic, and economic advancement of the region and the state. The University provides students advanced instruction in academic programs offered through innovative delivery systems that lead to professional certification, and baccalaureate, master’s and doctoral degrees. Through teaching, research, creative activity and public service, UTPA prepares students for lifelong learning and leadership roles in the state, nation and world community.

**Division:** Office of the President     **Unit Head:** Mike Chrissinger

**Unit Mission:** The mission of The University of Texas-Pan American Office of Internal Audits is to provide independent, objective assurance and consulting services designed to add value and improve University operations. It helps the institution accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, operational, and governance processes.

**Unit Goal:** Prepare Annual Audit Plan

**Link to UTPA Goal(s):** 3. Improve UTPA’s organizational effectiveness

Unit Objective (Action Priority: #1 is highest)	Link to UTPA Objective	Expected Outcome for Unit Objective (AA-Measurable Objective)	Strategy(ies) to Achieve Expected Outcomes	Assessment Criteria, Evaluation Methods for Expected Outcome	New Resources Needed in FY05
Develop an annual audit plan in accordance with the Texas Internal Audit Act and UT System guidelines that evaluates and improves the effectiveness of risk management, control, operational and governance processes. (1)	7	The audit plan will meet the stated requirements and be approved by the Audit Committee.	Prepare annual audit plan in accordance with the Act and UT System guidelines.  Perform institutional risk assessment to identify high risk areas and include those areas in the annual plan.	Review and approval by UT System during the audit plan hearing. Final approval by the Audit Committee.	No additional resources required to prepare the annual audit plan.

Annual Action Plan, June 1, 2004–May 31, 2005

Unit Objective (Action Priority: #1 is highest)	Link to UTPA Objective	Expected Outcome for Unit Objective (AA-Measurable Objective)	Strategy(ies) to Achieve Expected Outcomes	Assessment Criteria, Evaluation Methods for Expected Outcome	New Resources Needed in FY05

**Unit Goal:**

Operate in accordance with professional standards.

**Link to UTPA Goal(s):**

3. Improve UTPA's organizational effectiveness

Unit Objective (Action Priority: #1 is highest)	Link to UTPA Objective	Expected Outcome for Unit Objective (AA-Measurable Objective)	Strategy(ies) to Achieve Expected Outcomes	Assessment Criteria, Evaluation Methods for Expected Outcome	New Resources Needed in FY05
Office operations and audit engagements will be performed in accordance with professional audit standards. (2)	7	Office operations evaluated as "Generally Conforms" by the QA Team.	<p>Monitor office operations and staff engagements for conformance to standards.</p> <p>Conduct a Quality Assurance Review Follow-Up for further assessment.</p>	Quality Assurance Review in April, 2004 by a QA Team and performed every three years in accordance with the <i>Standards for the Professional Practice of Internal Auditing</i> as promulgated by The Institute of Internal Auditors.	The Quality Assurance Review Follow-Up review will cost an estimated \$2,000.



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**Unit Goal:** Prepare Annual Audit Plan

**Link to UTPA Goal(s):** 3. Improve UTPA’s organizational effectiveness

Unit Objective (Priority: #1 is highest)	Link to UTPA Objective	Expected Outcome	Assessment Criteria, Evaluation Methods	Assessment Results (Use actual data to describe annual performance)	Use of Results (What change was made?)
Develop an annual audit plan in accordance with the Texas Internal Audit Act and UT System guidelines that evaluate and improve the effectiveness of risk management, control, operational and governance processes.	7	The audit plan will meet the stated requirements and be approved by the Audit Committee.	Review and approval by UT System during the audit plan hearing. Final approval by the Audit Committee.	Audit plan modifications during the System audit plan hearing included changes to the risk analysis process and audit hour adjustments. The	The audit plan was modified to include an enterprise-wide risk management process and additional time was allocated for potential audit requests by the new President.

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Unit Objective (Priority: #1 is highest)	Link to UTPA Objective	Expected Outcome	Assessment Criteria, Evaluation Methods	Assessment Results (Use actual data to describe annual performance)	Use of Results (What change was made?)
(1)					Audit Committee approved the final Annual Audit Plan, as modified, in August, 2004.

**Unit Goal:**

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**Link to UTPA Goal(s):**

3. Improve UTPA's organizational effectiveness

Unit Objective (Priority: #1 is highest)	Link to UTPA Objective	Expected Outcome	Assessment Criteria, Evaluation Methods	Assessment Results (Use actual data to describe annual performance)	Use of Results (What change was made?)
Office operations and audit engagements will be performed in accordance with professional audit standards. (2)	7	Evaluated as "Generally Conforms" by the QA Team.	Quality Assurance Review in April, 2004 by a QA Team and performed every three years in accordance with the <i>Standards for the Professional Practice of Internal Auditing</i> as promulgated by The Institute of Internal Auditors.	In early 2004, it was the opinion of the QA Team that Internal Audit at UTPA "Partially Conforms" to the <i>Standards</i> . Recommendations were to perform staff evaluations after each engagement, enhance the audit planning memo and to work more closely with the Audit, Compliance and Management Review Committee of the Board of Regents.	Staff performance evaluations are now performed after each engagement, the UT System audit planning memo was adopted, and the audit office is working more closely with UT System to facilitate communication with the Audit, Compliance and Management Review (ACMR) Committee of the Board of Regents.

**Additional Resources Needed (if any) that were requested for FY06 during the budget cycle:** One additional Internal Auditor II at a salary of \$34,968. An increase in the Operating Budget of \$9,400; this includes a one-time expense of \$8,000 for the purchase of TeamMate Software. An increase in Travel of \$8,000; this includes a one-time expense of \$6,000 for Oracle Audit training.