



UNIVERSITY OF HOUSTON SYSTEM
Internal Auditing Department
Houston, Texas 77204-0930
(713) 743-8000
Fax: (713) 743-8015

October 28, 2011

Governor's Office of Budget, Planning, and Policy
Legislative Budget Board
Sunset Advisory Commission
State Auditor's Office
Members of the Board of Regents,
University of Houston System
Dr. Renu Khator, Chancellor
University of Houston System

During fiscal year 2011, The University of Houston System Internal Auditing Department executed the annual audit plan approved by the University of Houston System Board of Regents on August 17, 2010. The work performed under this plan met the requirements of the Texas Internal Auditing Act (Act), Texas Government Code, Sec. 2102, as amended. The Long-Range Internal Audit Plan is flexible and is periodically adjusted to adapt to the changes in the existing operations or activity levels. Such changes to the plan are approved by the Audit and Compliance Committee of the Board of Regents. There were no amendments to the Long-Range Internal Audit Plan during FY 2011. The Act requires the Internal Auditor to submit to you the attached report of the activities of the Internal Auditing Department for fiscal year 2011. This report contains the information presented in the format prescribed by the State Auditor's Office, as required by the Act. Please do not hesitate to contact me should you have any questions about the contents of this report.

Sincerely,

A handwritten signature in cursive script that reads "Don F. Guyton".

Don F. Guyton
Chief Audit Executive

Attachment

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

ANNUAL REPORT
FISCAL YEAR 2011

EXECUTIVE SUMMARY

Purpose of Report This report satisfies the requirements of the Texas Internal Auditing Act (Act), which states that internal audit departments are to prepare an annual report. It contains information on our audit plan, audits completed, and recommendations made during the 2011 fiscal year. This report contains the information presented in the format provided by the State Auditor's Office, as required by the Act.

**Significant
Engagement
Observations**

The Institute of Internal Auditors *Standards for the Professional Practice of Internal Auditing, Practice Advisory 2060-1*, defines significant engagement observations as "...those conditions that, in the judgment of the CAE, could adversely affect the organization. Significant engagement observations may include conditions dealing with fraud, irregularities, illegal acts, errors, inefficiency, waste, ineffectiveness, conflicts of interest, and control weaknesses."

During the 2011 fiscal year, we issued thirty-four audit reports. One report included a significant engagement observation. The significant engagement observation is summarized below:

- UH Division of Student Affairs: The Division did not have adequate oversight to help ensure that all business functions were adequately performed throughout the Division.

Other reports included recommendations to strengthen internal controls in the following areas: modifying current University of Houston System, campus or departmental administrative policies (7 reports); reconciliation of departmental records to the financial accounting reports to ensure that transactions recorded to the cost centers are authorized, accurate and complete (5 reports); cash handling (7 reports); contract administration (6 reports); and training (6 reports).

**Management's
Response**

Management's responses to our findings and recommendations have been very positive. Management has responded that the audit recommendations have been implemented or will be implemented in the future.

Audit Plan

The Board of Regents approved the Long-Range Internal Audit Plan – Fiscal Years 2011-2013 on August 17, 2010. A copy of the Audit Plan for fiscal years 2011-2013 is included in Section 1. A list of audits completed is included in Section 3. The Board of Regents approved the Long-Range Internal Audit Plan – Fiscal Years 2012-2014 on August 17, 2011. A copy of the Audit Plan for fiscal years 2012-2014 is included in Section 7.

The internal audit plan provides full-time internal audit coverage to the following entities:

University of Houston System Administration

University of Houston
University of Houston-Downtown
University of Houston-Clear Lake
University of Houston-Victoria

Deviations from the Audit Plan

During FY 2011, approximately 2,200 additional hours were allocated to departmental reviews. As a result of the additional time allocated to departmental reviews, several audits for FY 2011 were in progress at year-end or were rescheduled. These deviations and other deviations from the Audit Plan are explained in Section 1.

Special Projects

The work of the Internal Auditing Department extends beyond planned audits. During the 2011 fiscal year, we also engaged in several special projects. A list of these special projects is included in Section 1.

Follow-up Work

The *Standards for the Professional Practice of Internal Auditing* require internal auditors to perform follow-up procedures to ascertain that appropriate action is taken on reported audit findings. At the beginning of FY 2011, there were 113 open management action items. During FY 2011, 45 additional management action items were identified and 106 were completely addressed. At the end of FY 2011, there were 52 open management action items.

Peer Review

The Internal Auditing Department received a peer review in January 2009 and its next peer review should be completed during Spring 2012.

Performance Measures

The Internal Auditing Department monitored four key performance factors during fiscal year 2011.

PERFORMANCE FACTORS	TARGET	ACTUAL
1. Percent of audit recommendations implemented/in-progress.	90%	99%
2. Direct audit hours as a percent of total audit hours.	69%	69%
3. Average training hours per auditor.	40	45
4. Percent of auditees responding to feedback survey indicating that they were satisfied with audit.	100%	97%

An analysis of direct audit hours as a percent of total audit hours is included in the Deviation Section, Section 1.

Contact Person

For more information on this report, contact Don F. Guyton at (713) 743-8000.

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT**

**ANNUAL ACTIVITY REPORT
FISCAL YEAR 2011**

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1. Audit Plan for Fiscal Years 2011-2013 (including Deviations from the Audit Plan)
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5. Organizational Charts
6. Report on Other Internal Audit Activities
7. Audit Plan for Fiscal Years 2012-2014
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9. Reporting Suspected Fraud and Abuse

Section 1

Audit Plan for Fiscal Years 2011 – 2013
(Including Deviations from the Audit Plan)

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

LONG - RANGE INTERNAL AUDIT PLAN
and
RISK ANALYSIS

Fiscal Years 2011 - 2013



UNIVERSITY OF HOUSTON SYSTEM

Internal Auditing Department
Houston, Texas 77204-0930
(713)743-8000
Fax: (713)743-8015

MEMORANDUM

TO: Mr. Jacob Monty
Chair, Audit and Compliance Committee

Dr. Renu Khator
Chancellor/President, UHS/UH

FROM: Don F. Guyton
Chief Audit Executive

DATE: July 23, 2010

SUBJ: Long-Range Internal Audit Plan - Fiscal Years 2011-2013

Attached for your review and approval is the UHS Internal Auditing Department Long-Range Internal Audit Plan for Fiscal Years 2011-2013 (Audit Plan). The Audit Plan has been prepared to meet the requirements of the Board of Regents directives and the Texas Internal Auditing Act (Texas Government Code, Sec. 2102), as amended. The Texas Internal Auditing Act requires the Board of Regents to approve the Audit Plan and periodically review the resources dedicated to the Internal Audit program and determine if adequate resources exist to ensure that risks identified in the annual risk assessment are adequately covered within a reasonable time frame. The Internal Audit resources are described in Section 2 of the Audit Plan, and the risk assessment is included in Section 8 of the Audit Plan. Risk assessment techniques were employed to identify auditable areas and to ensure that the accounting systems and controls, the administrative systems and controls, and other major systems and controls are reviewed on a periodic basis. Coverage of key departments and functions at planned intervals has been designed into the plan to assure that no significant auditable area has been overlooked.

Each auditable area has been evaluated as to its risks and other functions which might determine the urgency and frequency for performing an audit. In addition to an analytical review of all significant financial data for each campus, the risk evaluation and scheduling process included requests for input from all campus presidents, fiscal officers, and other key personnel. Once the risk assessment was completed, each auditable area was included in the audit schedule for the next three fiscal years or later.

Included in the attached Section 5 of the Audit Plan is a listing of brief audit objectives for each auditable area. These objectives relate to overall internal controls, efficiency of operations and compliance with laws and regulations, and Board of Regents and/or management policies and procedures.

Recommendation:

The Audit Plan should be flexible and periodically adjusted to adapt to changes in the audit environment. These changes include new or revised laws or regulations and changes in existing operations or activity levels. The Audit and Compliance Committee should approve these periodic changes to the Audit Plan. I recommend that the Board of Regents approve the attached Audit Plan, including the Internal Audit Resources, and delegate approval for periodic changes to the Audit and Compliance Committee.

DFG:rh
Attachment

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT**

**LONG-RANGE INTERNAL AUDIT PLAN
FY 2011-2013**

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Three-Year Audit Schedule	6
Frequency of Audit Activity	7
Risk Analysis	8

**University of Houston System
Internal Auditing Department**

**Long-Range Internal Audit Plan
Summary of Man-Hours**

<u>Activity</u>	<u>Fiscal Year</u>		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
Scheduled Audits	7,446	7,846	7,446
IT Reviews/Monitoring	1,900	2,100	2,300
Special Projects	1,600	1,600	1,600
Departmental Reviews	2,100	1,500	1,700
Follow-up Reviews	<u>500</u>	<u>500</u>	<u>500</u>
Total Direct Audit Hours	<u><u>13,546</u></u>	<u><u>13,546</u></u>	<u><u>13,546</u></u>

**University of Houston System
Internal Auditing Department**

**Long-Range Internal Audit Plan
Man-Hour Assumptions**

<u>Available Man-Hours</u>	<u>Chief Audit Executive</u>	<u>Assistant Director</u>	<u>Senior Auditor</u>	<u>Information Technology Auditor</u>	<u>Staff</u>
Vacations	120	120	96	96	96
Holidays (12 days)	96	96	96	96	96
Sick Leave	40	40	60	60	60
Professional Training	60	60	40	40	40
In-house Training	40	40	40	40	40
Professional Organizations	40	40	16	16	16
Indirect Audit Hours: Administrative	1,016	816	316	96	56
Direct Audit Hours	<u>668</u>	<u>868</u>	<u>1,416</u>	<u>1,636</u>	<u>1,676</u>
Total Hours Available	<u><u>2,080</u></u>	<u><u>2,080</u></u>	<u><u>2,080</u></u>	<u><u>2,080</u></u>	<u><u>2,080</u></u>

Allocable Direct Audit Hours

Direct Audit Hours By Position	668	868	1,416	1,636	1,676
Staff Size By Position	1	1	2	1	5
Employee Turnover/Attrition	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.5</u>
Available Staff Size	1.0	1.0	2.0	1.0	4.5
Subtotal	<u>668</u>	<u>868</u>	<u>2,832</u>	<u>1,636</u>	<u>7,542</u>
Total Direct Audit Hours					<u><u>13,546</u></u>

Three-Year Audit Schedule, FY 2011 - 2013

Section 6

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
INTERNAL AUDIT PLAN, FY 2011-2013
SCHEDULED AUDITS - FY 2011**

<u>AUDIT ACTIVITY</u>	<u>BUDGET HOURS</u>
<u>ANNUAL ASSISTANCE / MANDATES (3,250 hours)</u>	
Annual External Audits - Liaison	100
Athletics - Football Attendance Audit	100
Athletics - NCAA Rules-Compliance	400
Board of Regents Travel, FY 2011	250
Chancellor/President's Travel, FY 2011	100
Follow-up Reviews	500
Special Projects/Police Investigations	1,600
State Auditor's Office Liaison	
Audit Assistance - General	100
Follow-up Reports	100
<u>SYSTEM-WIDE AUDITS (4,500)</u>	
Contracts & Grants Administration (UHCL, UHD, and UHV)	900
Endowments (UHS and UH)	1,000
Financial Aid (UHCL, UHD, and UHV)	900
Formula Funding	1,200
JAMP Grants (UH and UHD)	500
<u>RESEARCH CENTERS (900)</u>	
Environmental Institute of Houston (UHCL/UH)	300
Texas Institute for Measurement, Evaluation, and Statistics (UH)	300
Texas Learning & Computation Ctr. (UH)	300
<u>DEPARTMENTAL REVIEWS (1,900)</u>	
UH Academic Affairs/Provost Division	300
UH Education	200
UH Graduate College of Social Work	100
UH Hotel & Restaurant Management	500
UHCL Provost Office	300
UHD Academic Affairs & Provost	200
UHD University College	200
UHV Nursing	100
<u>INFORMATION TECHNOLOGY (1,900 hours)</u>	
IT - Review and Monitor of IT Systems	500
Desktop Computing Support, User Support Services, Training, Computer Store (UH)	400
Web Support Services (UH)	300
TAC 202 (UHCL, UHD, and UHV)	700
<u>INITIATED DURING FY 2010 - TO BE COMPLETED/REPORTED IN FY 2011</u>	1,096
Total Hours Scheduled for Fiscal Year 2011	<u>13,546</u>

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
INTERNAL AUDIT PLAN, FY 2011-2013
FY 2010 AUDITS IN PROGRESS AT YEAR-END**

<u>AUDIT ACTIVITY</u>	<u>Budget Hours</u>
<u>Projects Initiated During FY 2010, But Not Completed</u>	1,096
Board of Regents Travel, FY 2010	
Chancellor/President's Travel, FY 2010	
Endowments	
Financial Reporting (all components)	
Privacy Issues (all components)	
Student Accounting & Receivables (all components)	
UH Center for Advanced Materials	
UH Information Security	
UH Scholarships	
UH Optometry, Departmental Review	
UH Student Affairs, Departmental Reviews	
UHV Administration & Finance, Departmental Reviews	
UHV Provost Office, Departmental Reviews	

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
INTERNAL AUDIT PLAN, FY 2011-2013
SCHEDULED AUDITS - FY 2012**

<u>AUDIT ACTIVITY</u>	<u>BUDGET HOURS</u>
<u>ANNUAL ASSISTANCE / MANDATES (2,950 hours)</u>	
Annual External Audits - Liaison	100
Athletics - Football Attendance Audit	100
Board of Regents Travel, FY 2012	250
Chancellor/President's Travel, FY 2012	100
Follow-up Reviews	500
Special Projects/Police Investigations	1,600
State Auditor's Office Liaison	
Regional Accrediation Review - SACS (UHCL)	100
Audit Assistance - General	100
Follow-up Reports	100
<u>SYSTEM-WIDE AUDITS (5,900)</u>	
Accounts Payable	1,000
Auxiliary Contract Administration	600
Endowments (UH)	1,000
Facilities Management	1,200
Financial Aid (UHCL, UHD, and UHV)	900
General Accounting	1,200
<u>DEPARTMENTAL REVIEWS (1,250 hours)</u>	
UH Graduate & Professional Studies	100
UH Research	250
UH University Advancement	150
UHCL Education	50
UHCL President's Office	100
UHD Administration & Finance	100
UHD Employment Services & Operations	100
UHD President's Office	50
UHD Public Service	50
UHD Student Services & Enrollment Management	50
UHV Arts & Sciences	50
UHV Business Administration	50
UHV Education	50
UHV President's Office	100
<u>INFORMATION TECHNOLOGY (2,100 hours)</u>	
IT - Review and Monitor of IT Systems (PeopleSoft Student & Academic Administration - Post Implementation Review)	700
Enterprise Information Systems (UH)	600
Instructional Technology, Multimedia Services, Student Computing (UH)	400
TAC 202 (UH)	400
<u>RESEARCH CENTERS (600)</u>	
Center for Materials Chemistry (UH)	150
Institute for Space System Operations (UH/UHCL)	150
Texas Center for Superconductivity (UH)	300
<u>QUALITY ASSURANCE REVIEWS (200)</u>	
Internal Auditing Internal Quality Assurance Review	100
Internal Auditing External Quality Assurance Review	100
<u>INITIATED DURING FY 2011 - TO BE COMPLETED/REPORTED IN FY 2012</u>	546
Total Hours Scheduled for Fiscal Year 2012	<u>13,546</u>

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
INTERNAL AUDIT PLAN, FY 2011-2013
SCHEDULED AUDITS - FY 2013**

<u>AUDIT ACTIVITY</u>	<u>BUDGET HOURS</u>
<u>ANNUAL ASSISTANCE / MANDATES (3,250 hours)</u>	
Annual External Audits - Liaison	100
Athletics - Football Attendance Audit	100
Athletics - NCAA Rules-Compliance	400
Board of Regents Travel, FY 2013	250
Chancellor/President's Travel, FY 2013	100
Follow-up Reviews	500
Special Projects/Police Investigations	1,600
State Auditor's Office Liaison	
Audit Assistance - General	100
Follow-up Reports	100
<u>SYSTEM-WIDE AUDITS (5,300)</u>	
Academic Fees	1,000
Endowments (UHCL and UHD)	1,000
Financial Aid	900
Payroll	1,200
Property Management (Fixed Assets)	1,200
<u>DEPARTMENTAL REVIEWS (1,500 hours)</u>	
UH Administration & Finance	300
UH Business	200
UH Engineering	250
UH Library	200
UH Natural Sciences & Mathematics	300
UH Technology	150
UHD Business	50
UHD Humanities & Social Sciences	50
<u>INFORMATION TECHNOLOGY (2,300 hours)</u>	
IT - Review and Monitor of IT Systems	700
Enterprise Infrastructure and Services (UH)	300
Network Infrastructure and Services	300
Operations, Data Center, Print Services	300
Telephony	300
TAC 202 (UHCL, UHD, and UHV)	400
<u>RESEARCH CENTERS (600)</u>	
Center for Computational Sciences & Advanced Distributed Simulation (UHD)	300
Wind Center (UH)	300
<u>INITIATED DURING FY 2012 - TO BE COMPLETED/REPORTED IN FY 2013</u>	596
Total Hours Scheduled for Fiscal Year 2013	<u>13,546</u>

Deviations from the Audit Plan

During FY 2011, approximately 2,200 additional hours were allocated to departmental Reviews. As a result of the additional time allocated to departmental reviews, several audits that were scheduled for FY 2011 were in progress at year-end or were rescheduled. These deviations and other deviations from the Audit Plan are explained in Section 1.

UNIVERSITY OF HOUSTON SYSTEM

INTERNAL AUDITING DEPARTMENT

DEVIATIONS FROM THE AUDIT PLAN

ACTIVITY REPORT

FISCAL YEAR 2011

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
FY 2011 ACTIVITY REPORT
AUDIT REPORTS ISSUED**

REPORT # REGULAR REPORTS

2011-01	Follow-up Status Report (7/1/10 to 9/30/10)
2011-02	UH Athletics Departmental Review
2011-03	Board of Regents' Travel, FY 2010
2011-04	Chancellor/President's Travel, FY 2010
2011-05	UH, Division of Student Affairs, Departmental Reviews
2011-06	Annual Non-Compliance Report, FY 2010
2011-07	UHD JAMP, FY 2009-2010
2011-08	UH JAMP, FY 2009-2010
2011-09	Follow-up Status Report (10/1/10 to 12/31/10)
2011-10	Football Attendance, 2010 Season
2011-11	UH College of Optometry, Departmental Review
2011-12	UHV Division of Administration & Finance, Departmental Reviews
2011-13	UHV Office of the Provost, Departmental Reviews
2011-14	UHV School of Nursing, Departmental Review
2011-15	UHD University College, Departmental Reviews
2011-16	UHD Office of Academic Affairs & Provost, Departmental Reviews
2011-17	UHV Financial Aid, Pell Grants
2011-18	UHCL Financial Aid, Pell Grants
2011-19	UHD Financial Aid, Pell Grants
2011-20	UH Financial Aid, Scholarships
2011-21	Follow-up Status Report (1/1/11 to 3/31/11)
2011-22	UHCL Office of Academic Affairs & Provost, Departmental Reviews
2011-23	Executive and Foreign Travel, All Components
2011-24	UH Research Administration
2011-25	UH Athletics Department, Endowments
2011-26	UH College of Education, Endowments
2011-27	Follow-up Status Report (4/1/11 to 6/30/11)
2011-28	Construction Awards
2011-29	UH Library, Endowments
2011-30	UHS Privacy
2011-31	UH College of Education, Departmental Reviews
2011-32	UH College of Optometry, Endowments
2011-33	IT Audit Activity Report, FY 2011
2011-34	UH College of Natural Sciences & Mathematics, Endowments

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
FY 2011 ACTIVITY REPORT
AUDIT REPORTS ISSUED**

REPORT # SPECIAL PROJECT REPORTS

SP2011-01 SAO Hotline Complaint - UHV School of Business
SP2011-02 MySafeCampus Report - UHD College of Sciences and Technology
SP2011-03 SAO Hotline Complaint - UH Student Enrollment Issue
SP2011-04 SAO Hotline Complaint - Cougar Village / Capital One Bank
SP2011-05 UTEP Peer Review
SP2011-06 MySafeCampus Report - FP&C
SP2011-07 SAO Hotline Complaint - UHV School of Business - Travel
SP2011-08 SAO Hotline Complaint - UH College of Optometry
SP2011-09 SAO Hotline Complaint - UH Law Professor

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
FY 2011 ACTIVITY REPORT
SUMMARY OF HOURS WORKED**

	<u>BUDGET HOURS</u>	<u>TOTAL ACTUAL HOURS</u>	<u>(OVER) /UNDER BUDGET</u>
Scheduled Audits	7,446	6,071	1,375
IT Reviews/Monitoring	1,900	677	1,223
Special Projects	1,600	1,876	(276)
Follow-up Reviews	500	501	(1)
Departmental Reviews	<u>2,100</u>	<u>4,266</u>	<u>(2,166)</u>
Direct Audit Hours	<u>13,546</u>	<u>13,391</u>	<u>155</u>
Departmental Administration	2,812	2,688	124
Professional Development & Departmental Leave	<u>3,402</u>	<u>3,351</u>	<u>51</u>
Indirect Audit Hours	<u>6,214</u>	<u>6,039</u>	<u>175</u>
Total Audit Hours	19,760	19,430	330
Net Lost Man Hours:			
Employee Turnover	1,040	1,568	(528)
Unpaid Leave	-	-	-
Total	<u>20,800</u>	<u>20,998</u>	<u>(198)</u>
 Direct Audit Hours as a Percent of Total Audit Hours	 <u>69%</u>	 <u>69%</u>	

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
FY 2011 ACTIVITY REPORT
SCHEDULED AUDITS**

	BUDGET HOURS	TOTAL ACTUAL HOURS	(OVER) /UNDER BUDGET	COMMENTS OR EXPLANATIONS
<u>FY 2010 Scheduled Audits</u>				
Annual External Audits - Liason	100	0	100	Assistance provided.
Athletics - Football Attendance Audit, 2011 Season	100	7	93	In progress.
Athletics - NCAA Rules-Compliance	400	30	371	In progress.
Board of Regents Travel, FY2011	250	89	161	Report issued during FY 2012.
Chancellor/President's Travel, FY2011	100	168	(68)	Report issued during FY 2012.
Contracts and Grants Administration (UHCL)	300	4	297	In progress.
Contracts and Grants Administration (UHD)	300	4	297	In progress.
Contracts and Grants Administration (UHV)	300	3	297	In progress.
Endowments, UH College of Engineering	200	251	(51)	Report issued during FY 2012.
Endowments, UH Library	200	258	(58)	Report issued. Underbudgeted.
Endowments, UH Non-College Specific	200	302	(102)	In progress.
Endowments, UH Provost	200	143	58	In progress.
Endowments, UH System Administration	200	254	(54)	In progress.
Financial Aid, Direct Loans (UHCL)	300	5	295	In progress.
Financial Aid, Direct Loans (UHD)	300	6	295	In progress.
Financial Aid, Direct Loans (UHV)	300	5	295	In progress.
Formula Funding (UH)	450	0	450	Rescheduled to FY 2012.
Formula Funding (UHCL)	250	0	250	Rescheduled to FY 2012.
Formula Funding (UHD)	250	0	250	Rescheduled to FY 2012.
Formula Funding (UHV)	250	0	250	Rescheduled to FY 2012.
Jump Grants (UH)	250	41	209	Report issued.
Jump Grants (UHD)	250	56	194	Report issued.
Environmental Institute of Houston (UHCL/UH)	300	0	300	Carryforward to FY 2012.
Texas Institute for Measurement, Evaluation, and Statistics (UH)	300	70	231	In progress.
Texas Learning & Computation Center (UH)	300	1,105	(805)	In progress.
SAO - Audit Assistance - General	100	49	51	Assistance provided.
SAO - Follow-up Reports	100	14	86	Assistance provided.
Engagement Planning	0	548	(548)	Ongoing activity.
General - Reports	0	345	(345)	Ongoing activity.
<u>Carryforward Audits</u>				
	896		(1,423)	
Financial Aid - Scholarships (UH)		97		Report issued.
MCP- UHV Site Visit		0		In progress.
Research - Contracts and Grants Administration (UH)		319		Report issued.
Privacy Issues		212		Report issued.
Endowments, UH College of Education		72		Report issued.
Endowments, UH Athletics		70		Report issued.
Endowments, UH NSM		404		Report issued.
Endowments, UH Optometry		335		Report issued.
Athletics - Football Attendance Audit, 2010 Season		72		Report issued.
Board of Regents Travel, FY2010		107		Report issued.
Chancellor/President's Travel, FY2010		14		Report issued.
Financial Aid, Pell Grants (UHCL)		54		Report issued.
Financial Aid, Pell Grants (UHD)		53		Report issued.
Financial Aid, Pell Grants (UHV)		31		Report issued.
Executive and Foreign Travel		130		Report issued.
Financial Reporting (UH)		220		In progress.
Financial Reporting (UHCL)		0		In progress.
Financial Reporting (UHD)		0		In progress.
Financial Reporting (UHV)		0		In progress.
Student Accounting and Receivables (UH)		80		In progress.
Student Accounting and Receivables (UHCL)		8		In progress.
Student Accounting and Receivables (UHD)		19		In progress.
Student Accounting and Receivables (UHV)		9		In progress.
Center for Advanced Materials (UH)		17		In progress.
Total Hours Scheduled for Fiscal Year 2009	7,446	6,071	1,375	

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
FY 2011 ACTIVITY REPORT
IT AUDIT ACTIVITY**

	<u>BUDGET HOURS</u>	<u>TOTAL ACTUAL HOURS</u>	<u>(OVER) /UNDER BUDGET</u>	<u>COMMENTS OR EXPLANATIONS</u>
<u>FY 2011 Scheduled IT Reviews/Monitoring</u>				
IT Review and Monitor of IT Systems	500	0	500	Assistance provided on other audits.
<u>Carryforward IT Reviews</u>				
TAC 202 (UHCL)	250	89	161	In progress.
TAC 202 (UHD)	250	69	181	In progress.
TAC 202 (UHV)	200	78	122	In progress.
PeopleSoft Student & Academic Admin - Post Implementation Review	0	0	0	Rescheduled to FY 2012.
Information Technology Security (UH)	0	0	0	Rescheduled to FY 2012.
Desktop Computing Support, User Support Services, Training, Computer Store (UH)	400	0	400	Rescheduled to FY 2012.
Web Support Services (UH)	300	0	300	Rescheduled to FY 2012.
<u>Other Information Technology Activities</u>				
Annual IT Audit Activity Report		18	(18)	
IT - Campus Meetings		4	(4)	
PC Maintenance		326	(326)	
IT- PS Implementation, IA Department		0	0	
TeamMate Implementation		88	(88)	
Engagement Planning		0	0	
General - Reports		5	(5)	
	<u>1,900</u>	<u>677</u>	<u>1,223</u>	
Total IT Audit Activity				

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
FY 2011 ACTIVITY REPORT
SPECIAL PROJECTS**

<u>SPECIAL PROJECTS</u>	<u>BUDGET HOURS</u>	<u>TOTAL ACTUAL HOURS</u>	<u>(OVER) /UNDER BUDGET</u>
SAO Hotline - Optometry		166	
SAO Hotline - Cougar Village		16	
Annual Audit Plan		147	
Annual Governor's Report		50	
Policies and Procedures		1	
Organizational Surveys		2	
Institutional Compliance		17	
Internal Auditing Department Manual/Training Document		3	
Internal Audit Webpage		42	
Miscellaneous Management Requests		364	
Annual Non-compliance Report		70	
MySafe Campus Reports		272	
Construction Audits		1	
Construction Award Process		37	
UHD P- Card Abuse		11	
UH Financial Aid, George Foundation Scholarships		1	
UH Law Center - Employee Overpayment		1	
UH Engineering - Timesheets		1	
Stephen F. Austin Peer Review		33	
TLC2 Assertions		110	
UH Wellness Center - Student Assertions		1	
UH Residence Hall Follow-Up		18	
UH Pharmacy, Graduate Admissions		196	
UHD International Admissions		6	
UTEP Peer Review		100	
UH Facilities Management, Minor & Planned Projects Allegations		37	
UH HRM, Operational Review		177	
	<u>1,600</u>	<u>1,876</u>	<u>(276)</u>

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
FY 2011 ACTIVITY REPORT
FOLLOW-UP AUDITS**

	<u>BUDGET HOURS</u>	<u>TOTAL ACTUAL HOURS</u>	<u>(OVER) /UNDER BUDGET</u>
<u>FOLLOW-UP REVIEWS</u>	500	501	(1)

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
FY 2011 ACTIVITY REPORT
DEPARTMENTAL REVIEWS**

	<u>BUDGET HOURS</u>	<u>TOTAL ACTUAL HOURS</u>	<u>(OVER) /UNDER BUDGET</u>	<u>COMMENTS OR EXPLANATIONS</u>
<u>FY 2011 Departmental Reviews</u>				
UH Academic Affairs	300	105	196	In progress.
UH Education	200	700	(500)	Report issued. Underbudgeted.
UH Graduate College of Social Work	100	329	(229)	Report issued during FY 2012.
UH Hotel & Restaurant Management	500	283	217	Report issued during FY 2012.
UHCL Provost Office	300	1,021	(721)	Report issued. Underbudgeted.
UHD Academic Affairs & Provost	200	227	(27)	Report issued. Underbudgeted.
UHD University College	200	208	(8)	Report issued. Underbudgeted.
UHV Nursing	100	74	27	Report issued.
Administration/Reporting		348		
Engagement Planning		241		
<u>Carryforward Audits</u>	200		(532)	
UH Athletics		38		Report issued.
UH Optometry		130		Report issued.
UH Student Affairs		134		Report issued.
UHCL Administration & Finance		92		Report issued.
UHV Provost		339		Report issued.
Total Hours Scheduled for Fiscal Year 2009	<u>2,100</u>	<u>4,266</u>	<u>(2,166)</u>	

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
FY 2011 ACTIVITY REPORT
ADMINISTRATION**

<u>ADMINISTRATION</u>	<u>BUDGET</u> <u>HOURS</u>	<u>TOTAL</u> <u>ACTUAL</u> <u>HOURS</u>	<u>(OVER)</u> <u>/UNDER</u> <u>BUDGET</u>
General Administration		773	
Internal Audit Staff Meetings		375	
Quality Assurance		91	
Activity Report/Timekeeping		181	
New Employee Orientation		240	
Staff Recruiting		151	
Meetings/Preparation - UH/UHS		149	
Meetings/Preparation - Other Components		12	
Meetings/Preparation - BOR		673	
Meetings/Preparation - Travel		43	
Liason - SAO		<u>3</u>	
Total Administration	<u><u>2,812</u></u>	<u><u>2,688</u></u>	<u><u>124</u></u>

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
FY 2011 ACTIVITY REPORT
PROFESSIONAL DEVELOPMENT AND LEAVE**

<u>PROFESSIONAL DEVELOPMENT & LEAVE</u>	<u>BUDGET HOURS</u>	<u>TOTAL ACTUAL HOURS</u>	<u>(OVER) /UNDER BUDGET</u>
CPE and Professional Development	1,000	614	386
Holiday	912	936	(24)
Sick	530	676	(146)
Vacation	960	1,008	(48)
Emergency Leave - University Authorized		75	(75)
Other		42	(42)
	<hr/>	<hr/>	<hr/>
Total Professional Development & Leave	3,402	3,351	51
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Section 2

UHS Internal Audit Peer Review Report



The University of Houston System

Quality Assessment Review of the Department of Internal Auditing

January 16, 2009

AREAS OF STANDARDS REVIEW	Generally Conforms with Standards	Partially Conforms with Standards	Does Not Conforms with the Standards	Page
EXECUTIVE SUMMARY				3
1000 – Purpose, Authority, and Responsibility				
1100 – Independence and Objectivity				
1110 – Organizational Independence				
1120 – Individual Objectivity				
1130 – Impairments to Independence				
1200 – Proficiency and Due Professional Care				
1210 – Proficiency				
1220 – Due Professional Care				
1230 – Continuing Professional Development				
1300-Quality Assurance and Improvement Program				
1310 – Quality Program Assessments				
1311 – Internal Assessments				
1312 – External Assessments				
1320 – Reporting on the Quality Program				
1330 – Use of “Conducted in Accordance with				
1340 – Disclosure of Noncompliance				
2000 – Managing the Internal Audit Activity				
2010 – Planning				
2020 – Communication and Approval				
2030 – Resource Management				
2040 – Policies and Procedures				
2050 – Coordination				
2060 – Reporting to the Board and Senior mgt.				
2100 – Nature of Work				
2110 – Risk Management				
2120 – Control				
2130 – Governance				
2200 – Engagement Planning				
2201 – Planning Considerations				
2210 – Engagement Objectives				
2220 – Engagement Scope				
2230 – Engagement Resource Allocation				
2240 – Engagement Work Program				
2300 – Performing the Engagement				
2310 – Identifying Information				
2320 – Analysis and Evaluation				
2330 – Recording Information				
2340 – Engagement Supervision				
2400 – Communicating Results				
2410 – Criteria for Communicating				
2420 – Quality of Communications				
2421 – Errors and Omissions				
2430–Engagement Disclosure of Noncompliance				
2440 – Disseminating Results				
2500 – Monitoring Progress				
2600 – Res. of Management’s Acceptance of Risks				

EXECUTIVE SUMMARY

INTRODUCTION

This Quality Assessment Review (QAR) was conducted in accordance with the Institute of Internal Auditors Quality Assessment Manual 5th Edition. The review was conducted December 8-10, 2008 and covered audit activities through August 2008. The QAR consisted of the following team members:



Team Leader: Michael (Mike) W. Hill, CPA, CFE, CCEP
Vice President, Internal Audit, Compliance and Risk Management
Medical College of Georgia



Dick Dawson, CPA, CIA,
Executive Director, Audit, Compliance and Risk Services
University of Texas-San Antonio



Douglas Horr, CBA, CIA
Director, Internal Audit
Stevens Institute

OBJECTIVE/SCOPE OF REVIEW

The Institute of Internal Auditors (IIA) defines Internal Auditing as:

“...an independent, objective, assurance and consulting activity designed to add value and improve an organization’s operations, It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.”

The objective of the review was to assess conformance with the IIA *Standards and Generally Accepted Government Auditing Standards* and to render an opinion of the conformance with those standards based upon the focus of the aforementioned definition, with recommendations for improvement. To do this the team reviewed the effectiveness and efficiency of the Internal Auditing activity against:

1. Charter as provided by the University of Houston System Internal Auditing Director
2. Mission as provided by the University of Houston System Internal Auditing Director
3. University of Houston System audit procedures as provided by the Internal Auditing Director

In addition, we noted commendable leading practices and opportunities for improvement. To ensure appropriate assessment of standards this assessment was based upon the IIA Quality Assessment Manual, 5th Edition. This review generally conforms to that manual’s guidance. The base line assessment process was as follows:

1. The QAR team reviewed the Internal Auditing activity for compliance with IIA standards.
 - a. All standards referred to may be referenced in The Professional Practices Framework, March 2007, also referred to as the “Red Book.”

2. The QAR team reviewed the Internal Auditing Activity for appropriateness of risk assessment and engagement planning.
3. The QAR team evaluated staff professional proficiency.
4. Determine if the level of Audit productivity and value-added by the Internal Auditing activity is appropriate.
5. We conducted interviews of key stakeholders such as:
 - Audit and Compliance Committee: Chair, Vice Chair
 - Senior Leaders: Chancellor, Vice Chancellors
 - Internal Audit staff members
6. The team conducted a sampling of work-papers and reports.

SUMMARY OF OBSERVATIONS

The IIA uses three rating levels to articulate conformance to standards. They are as follows:

Generally Conforms (GC) – Top Rating – Indicates that activity's relevant structure, policies, procedures and processes comply with the majority of the elements in the requirements of the Standards and Code of Ethics; however, opportunities for improvement may exist.

Partially Conforms (PC) – Indicates that the activity is making a good faith effort to comply with the Standards and Code of Ethics but has fallen short of achieving some major objectives.

Does Not Conform (DNC) – Indicates that the activity is failing to achieve the objectives in the Standards or Code of Ethics in major categories and is not making good faith efforts to comply.

Throughout the course of this report we comment on the relevant observations the team had as we evaluated the standards. The report text is color coded to the rating level.

Overall Rating:

Generally Conforms – University of Houston Internal Auditing Department is making a good faith effort to comply with the *Standards* and Code of Ethics.

There were no areas where the review team felt the internal audit function did not meet the stated standards. The full standards can be read at the Institute of Internal Auditors website (www.iaa.org). Even though the review team determined that the UHS Internal Auditing Department "Generally Conforms" with the *Standards*, we do want to take this opportunity to present several areas/issues for consideration by the Board of Regents Audit and Compliance Committee, UHS management and UHS Internal Auditing Department.

Standards Compliance Overview



It should be noted that as a part of the quality assessment review, the UHS Internal Auditing Department completed a quality self-assessment review. In the self-assessment report, seven recommendations were made that would improve department operational efficiency and effectiveness. The QAR team agrees with the self-assessment findings, recommendations, and management's responses. Of the seven recommendations, the QAR team believes that the recommendation concerning the need of the UHS Internal Auditing Department to recruit and maintain an experienced IT Auditor is the most material and urgent to accomplish.

Commendations:

The reputation of the UHS Internal Auditing Department and that of the department director (Mr. Don Guyton), with UH senior leadership is the principal strength determined by the QAR team. The department director's 20+ years of experience in the UHS, as well as the ability of the Internal Auditing Department to be a responsive and valuable resource for management should be commended.

Another area that the Internal Auditing Department should be commended for was its ability to provide UHS with broad audit coverage, providing quality reviews and services, while the department experienced significant turnover in several positions over the past couple of years. The UHS Internal Auditing Department should be commended for their efforts. Based on interviews with the current audit staff, they enjoy the working environment at UHS, particularly in the Internal Auditing Department, as well as the potential advancement opportunities with the department.

Areas for Opportunity for Improvement

System Recommendations:

Director Title Revision

The UHS and its Board of Regents (BOR) should consider changing the current title of the Director of the UHS Internal Auditing Department. The Director position is the chief audit executive (CAE) for the UHS and the title should be reflective of that as well. The audit profession within higher education systems has been moving, for several years now, to having its top auditing professional in their respective organizations be referred to as the: Chief Audit Executive or Chief Audit Officer. The QAR team realizes that this is a minor matter, but this change aids in promoting the CAE as a member of senior leadership as well as defining the importance of the Internal Auditing function within the UHS.

Management Response: *We will recommend to the Audit and Compliance Committee and management that the Director title be changed to Chief Audit Executive and that references to the position be changed in the relevant policies and procedures by February 28, 2009.*

Enterprise Risk Management (ERM)

The QAR team recommends that UHS management, the BOR Audit and Compliance Committee, as well as the UHS Internal Auditing Department management, consider integrating more ERM activities with the internal auditing activities. Even though the Director of Internal Auditing is also the UHS Compliance Officer, additional activities involving ERM need to be integrated with the current internal auditing and compliance activities.

According to the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) *Enterprise Risk Management-Integrated Framework*, the starting point for an effective ERM program starts with the institution's internal control environment. This starting point means establishing a shared risk management philosophy for the entire UHS community. As a part of an ERM program, the UHS Internal Auditing Department can assist management in establishing effective governance processes, ensuring the coordination of risk assessment, response, and monitoring, and related control activities. In addition, the audit department when performing audits of business units/processes should include audit steps that inquire of management the quality of the respective business unit's risk assessment processes, what risk monitoring is occurring, and the degree of coordinated risk efforts with other business units and/or management.

Management Response: *We will include the topic of ERM on our engagement entrance conference meeting agenda in order to familiarize management with the concept of ERM. During these meetings, we will inquire about management's greatest perceived risks and the manner in which it is managing them. Estimated completion date is February 28, 2009.*

Department Recommendations:

Electronic Workpaper Efficiency and Effectiveness

Even though the electronic working papers and the procedures being used by the office substantially satisfy the IIA Standards, improvement opportunities are available to allow the electronic working papers to be more efficient and effective. One area for consideration involves the breaking down of audit steps into smaller multiple steps that are more identifiable with individual performance tasks. The reasoning for using the smaller multiple audit step approach allows multiple staff members to work on the audit program and various audit steps while allowing the audit supervisor to review the smaller steps as they are completed. This will also produce a more accurate status of the audit program and breakdown of the audit's progress towards completion.

Another area of potential improvement involves the UHS Internal Auditing Department's practice of completing an annual independence statement. Although this is an acceptable practice, a best practice would be to have each team member confirm their independence on each project at the beginning of planning the audit work. This task could be easily accomplished by including a step within the electronic working papers.

Management Response: *We will revise our standard audit work programs to determine which audit steps can be broken down into smaller steps and will include any additional audit steps for ascertaining staff independence on each layer. Estimated completion date is February 28, 2009.*

We appreciate the cooperation and assistance provided to us throughout the course of this review by the members of the UHS community: the administration, the Board of Regents, and the Internal Auditing Department staff. We are confident that with UHS Internal Auditing management's continued commitment to complying with the *Standards*, the internal auditing department will continue to be a valuable resource to UHS management.

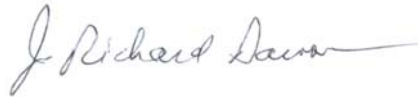
Sincerely,



Michael W. Hill, CPA, CFE, CCEP
Vice President, Internal Audit, Compliance and Risk Management
Medical College of Georgia



Doug Horr, CBA, CIA
Director, Internal Audit
Stevens Institute



Dick Dawson, CPA, CIA
Executive Director, Audit, Compliance and Risk Services
University of Texas-San Antonio

Standard		Description	Conformance GC/PC/DNC
ATTRIBUTE STANDARDS			
1000	Purpose, Authority, and Responsibility (Internal Audit Charter)	The purpose, authority and responsibility of the internal audit activity should be formally defined in a charter, consistent with the <i>Standards</i> , and approved by the board.	GC
1100	Independence and Objectivity	The internal audit activity should be independent, and internal auditors should be objective in performing their work.	GC
1110	Organizational Independence	The chief audit executive should report to a level within the organization that allows the internal audit activity to fulfill its responsibilities.	GC
1120	Individual Objectivity	Internal auditors should have an impartial, unbiased attitude and avoid conflicts of interest	GC
1130	Impairments to Independence or Objectivity	If independence or objectivity is impaired in fact or appearance, the details of the impairment should be disclosed to appropriate parties. The nature of the disclosure will depend upon the impairment.	GC
1200	Proficiency and Due Professional Care	Engagements should be performed with proficiency and due professional care.	GC
1210	Proficiency	Internal auditors should possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. The internal audit activity collectively should possess or obtain the knowledge, skills and other competencies needed to perform its responsibilities.	GC
1220	Due Professional Care	Internal auditors should apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.	GC
1230	Continuing Professional Development	Internal auditors should enhance their knowledge, skills, and other competencies through continuing professional development.	GC

1300	Quality Assurance and Improvement Program	The chief audit executive should develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity and continually monitors its effectiveness. The program includes periodic internal and external assessments and ongoing internal monitoring. Each part of the program should be designed to help the internal auditing activity add value and improve the organization's operations and to provide assurance that the internal audit activity is in conformity with the <i>Standards</i> and the <i>Code of Ethics</i> .	GC
1310	Quality Program Assessments	The internal audit activity should adopt a process to monitor and assess the overall effectiveness of the quality program. The process should include both internal and external assessments.	GC
1311	Internal Assessments	Internal assessment should include: <ul style="list-style-type: none"> • Ongoing reviews of the performance of the internal audit activity; and • Periodic reviews performed through self-assessment or by other persons within the organization, with knowledge of internal audit practices and the <i>Standards</i>. 	GC
1312	External Assessments	External assessment, such as quality assurance reviews, should be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization.	GC
1320	Reporting on the Quality Program	The chief audit executive should communicate the results of external assessments to the board.	GC
1330	Use of " <i>Conducted in Accordance with the Standards</i> "	Internal auditors are encouraged to report that their activities are "conducted in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> ." However, internal auditors may use the statement only if assessments of the quality improvement program demonstrate that the internal audit activity is in compliance with the <i>Standards</i> .	GC

1340	Disclosure of Non-compliance	Although the internal audit activity should achieve full compliance with the <i>Standards</i> and internal auditors with the <i>Code of Ethics</i> , there may be instances in which full compliance is not achieved. Hen non-compliance impacts the overall scope or operation of the internal audit activity, disclosure should be made to the senior management and the board.	GC
PERFORMANCE STANDARDS			
2000	Managing the Internal Audit Activity	The chief audit executive (CAE) should effectively manage the internal audit activity to ensure it adds value to the organization.	GC
2010	Planning	The CAE should establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organization's goals.	GC
2020	Communication and Approval	The CAE should communicate the internal audit activity's plans and resource requirements, including significant interim changes. The chief audit executive should also communicate the impact of resource limitations.	GC
2030	Resource Management	The CAE should ensure that internal audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan.	GC
2040	Policies and Procedures	The CAE should establish policies and procedures to guide the internal audit activity.	GC
2050	Co-Ordination	The CAE should share information and coordinate activities with other internal/external providers of relevant assurance and consulting services to ensure proper coverage and minimize duplication of efforts.	GC
2060	Reporting to the Board and Senior Management	The CAE should report periodically to the board and senior management on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan. Reporting should also include significant risk exposures and control issues, corporate governance issues, and other matters needed/requested by the board and senior management.	GC

2100	Nature of Work	The internal audit activity should evaluate and contribute to the improvement of risk management, control, and governance processes using a systematic and disciplined approach.	GC
2110	Risk Management	The internal audit activity should assist the organization by identifying and evaluating significant exposures to risk and contributing to the improvement of risk management and control systems.	GC
2120	Control	The internal audit activity should assist the organization in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement	GC
2130	Governance	The internal audit activity should assess and make appropriate recommendations for improving the governance process in its accomplishment of the following objectives: <ul style="list-style-type: none"> • Promoting appropriate ethics and values within the organization. • Ensuring effective organizational performance management and accountability. • Effectively communicating risk and control information to appropriate areas of the organization. • Effectively coordinating the activities and communicating information among the board, external and internal auditors and management. 	GC
2200	Engagement Planning	Internal auditors should develop and record a plan for each engagement, including the scope, objectives, timing and resource allocations.	GC
2201	Planning Considerations	In planning the engagement, internal auditors should consider: <ul style="list-style-type: none"> • The objectives of the activity being reviewed and the means by which the activity controls its performance. 	GC

		<ul style="list-style-type: none"> • The significant risks to the activity, its objectives, resources, and operations and the means by which the potential impact of risk is kept to an acceptable level. • The adequacy and effectiveness of the activity's risk management and control systems compared to a relevant control framework or model. • The opportunities for making significant improvements to the activity's risk management and control systems. 	
2210	Engagement Objectives	Objectives should be established for each engagement.	GC
2220	Engagement Scope	The established scope should be sufficient to satisfy the objectives of the engagement.	GC
2230	Engagement Resource Allocation	Internal auditors should determine appropriate resources to achieve engagement objectives. Staffing should be based on an evaluation of the nature and complexity of each engagement, time constraints, and available resources.	GC
2240	Engagement Work Program	Internal auditors should develop work programs that achieve the engagement objectives. These work programs should be recorded.	GC
2300	Performing the Engagement	Internal auditors should identify, analyze, evaluate, and record sufficient information to achieve the engagement's objectives.	GC
2310	Identifying Information	Internal auditors should identify sufficient, reliable, relevant and useful information to achieve the engagement's objectives.	GC
2320	Analysis and Evaluation	Internal auditors should base conclusions and engagement results on appropriate analyses and evaluations.	GC
2330	Recording Information	Internal auditors should record relevant information to support the conclusions and engagement results.	GC
2340	Engagement Supervision	Engagements should be properly supervised to ensure objectives are achieved, quality is assured, and staff is developed.	GC

2400	Communicating Results	Internal auditors should communicate the engagement result.	GC
2410	Criteria for Communicating	Communications should include the engagement's objectives and scope as well as applicable conclusions, recommendations, and action plans.	GC
2420	Quality of Communications	Communications should be accurate, objective, clear, concise, constructive, complete, and timely.	GC
2421	Errors and Omissions	If a final communication contains a significant error or omission, the chief audit executive should communicate corrected information to all parties who received the original communication.	GC
2430	Engagement Disclosure of Non-compliance with Standards	When non-compliance with the <i>Standards</i> impacts a specific engagement, communication of the results should disclose the: <ul style="list-style-type: none"> • <i>Standard</i> with which compliance as not achieved, • Reason(s) for non-compliance, and • Impact of non-compliance on the engagement. 	GC
2440	Disseminating Results	The chief audit executive should communicate results to the appropriate parties.	GC
2500	Monitoring Progress	The chief audit executive should establish and maintain a system to monitor the disposition of results communicated to management.	GC
2600	Management's Acceptance of Risks	When the chief audit executive believes that senior management has accepted a level of residual risk that may be unacceptable to the organization, the chief audit executive should discuss the matter with senior management. If the decision regarding residual risk is not resolved, the chief audit executive and senior management should report the matter to the board for resolution.	GC
	IIA Code of Ethics: Integrity Objectivity Confidentiality Competency	The purpose of the IIA's <i>Code of Ethics</i> is to promote an ethical culture in the profession of internal auditing.	GC

Section 3

List of Audits Completed

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

LIST OF AUDITS COMPLETED
(INCLUDING HIGH-LEVEL OBJECTIVES, OBSERVATIONS/FINDINGS, RECOMMENDATIONS, AND STATUS)
FY 2011

Report No.	Report Date	Name of Report	High-Level Audit Objectives	Observations/Findings and Recommendations	Current Status	Fiscal Impact/Other Impact
AR11-01	11/17/10	Follow-Up Status Report - Actions Scheduled from July 1, 2010 to September 30, 2010	To ascertain that appropriate action is taken on reported audit findings.	This status report addressed 83 management actions in 18 individual reports. The report contained 50 completed actions and 8 action items not implemented.	N/A	Help ensure timely implementation of managements' planned actions.
AR11-02	11/17/10	UH Athletics, Departmental Review	To determine whether departments are conducting financial and administrative activities in compliance with university policies.	We conducted 1 departmental compliance review and noted 8 instances of non-compliance with university policies and procedures.	N/A	Reduce the risk of non-compliance with university policies. Improve Internal controls.
AR11-03	11/17/10	Board of Regents' Travel, FY 2010	To determine whether expenditures for travel and entertainment were appropriately documented and allowable under university policies.	No Observations/Findings.	N/A	N/A
AR11-04	11/17/10	Chancellor/President's Travel, FY 2010	To determine whether expenditures for travel and entertainment were appropriately documented and allowable under university policies.	No Observations/Findings.	N/A	N/A
AR11-05	2/16/11	UH Division of Student Affairs, Departmental Reviews	To determine whether departments are conducting financial and administrative activities in compliance with university policies.	We conducted 14 departmental compliance reviews and noted 82 instances of non-compliance with university policies and procedures. Management	Incomplete/Ongoing The status of all management action items are included in the follow-up status reports which are reported to the	Reduce the risk of non-compliance with university policies. Improve Internal

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

LIST OF AUDITS COMPLETED
(INCLUDING HIGH-LEVEL OBJECTIVES, OBSERVATIONS/FINDINGS, RECOMMENDATIONS, AND STATUS)
FY 2011

Report No.	Report Date	Name of Report	High-Level Audit Objectives	Observations/Findings and Recommendations	Current Status	Fiscal Impact/Other Impact
				<p>agreed to implement 1 action item.</p> <p>We noted one matter that we considered to be a significant audit finding: lack of financial and administrative oversight. We determined that the Division did not have procedures to help ensure that all business functions are adequately performed throughout the Division. Division management plans to review its business processes and Division and departmental responsibilities to help ensure that appropriate oversight and monitoring is in place and functioning as intended.</p>	Board of Regents quarterly.	controls.
AR11-06	11/17/10	Annual Non-Compliance Report, FY 2010	To compile a listing of all instances of non-compliance noted during the previous year in order that management can assess its risks associated with repetitive instances and take action, if necessary.	<p>We noted that the most frequent instances of non-compliance occurred in the areas payroll/human resources, cash handling, contract administration, cost center management, and procurement cards.</p> <p>Management conducted role-</p>	Fully Implemented	Reduce the risk of non-compliance with university policies.

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

LIST OF AUDITS COMPLETED
(INCLUDING HIGH-LEVEL OBJECTIVES, OBSERVATIONS/FINDINGS, RECOMMENDATIONS, AND STATUS)
FY 2011

Report No.	Report Date	Name of Report	High-Level Audit Objectives	Observations/Findings and Recommendations	Current Status	Fiscal Impact/Other Impact
				based training, surveyed departments to determine fraud risk, reduced cash handling risk by reducing petty cash funds, reviewed credit card transactions for compliance, implemented procedures to protect confidential information and improve compliance with hiring procedures, updated departmental responsibilities for maintaining internal controls, and issued weekly updates to departments to remind them of their deadlines and responsibilities to help reduce instances of non-compliance and enhance the internal control environment.		
AR11-07	11/17/10	UHD JAMP, FY 2009-2010	To determine whether grant activities complied with JAMP Program guidelines and university policies.	We noted no findings of non-compliance with the JAMP agreement or JAMP expenditure guidelines.	N/A	N/A
AR11-08	11/17/10	UH JAMP, FY 2009-2010	To determine whether grant activities complied with JAMP Program guidelines and university policies.	We noted no findings of non-compliance with the JAMP agreement or JAMP expenditure guidelines.	N/A	N/A
AR11-09	2/16/11	Follow-Up Status Report - Actions Scheduled from	To ascertain that appropriate action is taken on reported audit findings.	This status report addressed 38 management actions in 20 individual reports. The	N/A	Help ensure timely implementation of

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

LIST OF AUDITS COMPLETED
(INCLUDING HIGH-LEVEL OBJECTIVES, OBSERVATIONS/FINDINGS, RECOMMENDATIONS, AND STATUS)
FY 2011

Report No.	Report Date	Name of Report	High-Level Audit Objectives	Observations/Findings and Recommendations	Current Status	Fiscal Impact/Other Impact
		October 1, 2010 to December 31, 2010		report contained 11 completed actions and 1 action item not implemented.		managements' planned actions.
AR11-10	2/16/11	UH Athletics Football Attendance Audit, 2010 Season	To certify attendance for each home game, as required by 2010-2011 NCAA Bylaws.	In our opinion, the average paid attendance for the 2010 Houston Cougar football home game season calculated using the terms and conditions stipulated by the NCAA exceeds the minimum attendance requirements (15,000 per game average).	N/A	N/A
AR11-11	2/16/11	UH College of Optometry, Departmental Review	To determine whether departments are conducting financial and administrative activities in compliance with university policies.	We conducted 1 departmental compliance review and noted 7 instances of non-compliance with university policies and procedures. Management agreed to implement 3 action items.	Incomplete/Ongoing The status of all management action items are included in the follow-up status reports which are reported to the Board of Regents quarterly.	Reduce the risk of non-compliance with university policies. Improve Internal controls.
AR11-12	2/16/11	UHV Division of Administration and Finance, Departmental Reviews	To determine whether departments are conducting financial and administrative activities in compliance with university policies.	We conducted 6 departmental compliance reviews and noted 8 instances of non-compliance with university policies and procedures.	N/A	Reduce the risk of non-compliance with university policies. Improve Internal controls.
AR11-13	2/16/11	UHV Office of Provost, Departmental Reviews	To determine whether departments are conducting financial and administrative activities in compliance with university policies.	We conducted 8 departmental compliance review and noted 18 instances of non-compliance with university policies and	Fully Implemented	Reduce the risk of non-compliance with university policies.

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

LIST OF AUDITS COMPLETED
(INCLUDING HIGH-LEVEL OBJECTIVES, OBSERVATIONS/FINDINGS, RECOMMENDATIONS, AND STATUS)
FY 2011

Report No.	Report Date	Name of Report	High-Level Audit Objectives	Observations/Findings and Recommendations	Current Status	Fiscal Impact/Other Impact
				procedures. Management agreed to implement 4 action items.		Improve Internal controls.
AR11-14	2/16/11	UHV School of Nursing, Departmental Review	To determine whether departments are conducting financial and administrative activities in compliance with university policies.	We conducted 1 departmental compliance review and noted no instances of non-compliance with university policies and procedures.	N/A	N/A
AR11-15	2/16/11	UHD University College, Departmental Reviews	To determine whether departments are conducting financial and administrative activities in compliance with university policies.	We conducted 5 departmental compliance reviews and noted no instances of non-compliance with university policies and procedures.	N/A	N/A
AR11-16	2/16/11	UHD Office of Academic Affairs and Provost, Departmental Reviews	To determine whether departments are conducting financial and administrative activities in compliance with university policies.	We conducted 4 departmental compliance reviews and noted 9 instances of non-compliance with university policies and procedures. Management agreed to implement 1 action item.	Incomplete/Ongoing The status of all management action items are included in the follow-up status reports which are reported to the Board of Regents quarterly.	Reduce the risk of non-compliance with university policies. Improve Internal controls.
AR11-17	2/16/11	UHV Financial Aid, Pell Grants	To determine whether the institution is in compliance with federal Title IV provisions applicable to the Pell Grant program.	We noted an opportunity for improvement regarding the review of changes to critical data in the Student Financial Aid system.	Fully Implemented	To help ensure compliance with federal regulations Improve Internal controls.
AR11-18	2/16/11	UHCL Financial Aid, Pell Grants	To determine whether the institution is in compliance with federal Title IV	We noted an opportunity for improvement regarding the review of changes to critical	Fully Implemented	To help ensure compliance with federal

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

LIST OF AUDITS COMPLETED
(INCLUDING HIGH-LEVEL OBJECTIVES, OBSERVATIONS/FINDINGS, RECOMMENDATIONS, AND STATUS)
FY 2011

Report No.	Report Date	Name of Report	High-Level Audit Objectives	Observations/Findings and Recommendations	Current Status	Fiscal Impact/Other Impact
			provisions applicable to the Pell Grant program.	data in the Student Financial Aid system.		regulations. Improve Internal controls.
AR11-19	2/16/11	UHD Financial Aid, Pell Grants	To determine whether the institution is in compliance with federal Title IV provisions applicable to the Pell Grant program.	We noted certain opportunities for improvement regarding access, review of software changes, and review of changes to critical data in the Financial Aid System.	Fully Implemented	To help ensure compliance with federal regulations. Improve Internal controls.
AR11-20	2/16/11	UH Financial Aid, Scholarships	To determine whether there was adequate management oversight over the administration of scholarships to help ensure scholarships are being communicated to students and are awarded properly and in a timely manner.	Certain available scholarship funds are not being awarded to students. We recommended management to spend down excessive fund equity balances.	Fully Implemented	Reduce the risk of inefficient use of resources. Improve internal controls.
AR11-21	5/18/11	Follow-Up Status Report - Actions Scheduled from January 1, 2011 to March 31, 2011	To ascertain that appropriate action is taken on reported audit findings.	This status report addressed 50 management actions in 19 individual reports. The report contained 26 completed actions and 1 action item not implemented.	N/A	Help ensure timely implementation of managements' planned actions.
AR11-22	5/18/11	UHCL Office of Academic Affairs and Provost, Departmental Reviews	To determine whether departments are conducting financial and administrative activities in compliance with university policies.	We conducted 17 departmental compliance reviews and noted 25 instances of non-compliance with university policies and procedures. Management	Fully Implemented	Reduce the risk of non-compliance with university policies. Improve Internal

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

LIST OF AUDITS COMPLETED
(INCLUDING HIGH-LEVEL OBJECTIVES, OBSERVATIONS/FINDINGS, RECOMMENDATIONS, AND STATUS)
FY 2011

Report No.	Report Date	Name of Report	High-Level Audit Objectives	Observations/Findings and Recommendations	Current Status	Fiscal Impact/Other Impact
				agreed to implement 3 action items.		controls.
AR11-23	5/18/11	Executive and Foreign Travel, All Components	To determine if executive and foreign travel expenditures were appropriately documented and allowable under university policy.	We noted certain instances of non-compliance with university policies at UH, UHCL, UHD and UHV. UHCL should modify its travel guidelines to address all aspects of the System Business Travel policy, including provisions for the timely preparation of reimbursement requests and the approval by the employee's supervisor or higher authority and for approval of the President's travel expenditures by the Chancellor or designee.	Fully Implemented	Reduce the risk of non-compliance with university policies.
AR11-24	5/18/11	UH Research Administration	To determine whether the University has established management practices for externally funded programs as promulgated by the Guide to Effective Management Practices from the Council on Governmental Relations.	Several grant cost centers had deficit budget balances. Management should develop procedures to monitor grant cost centers to help ensure that deficit budgets are addressed in a timely manner.	Incomplete/Ongoing The status of all management action items are included in the follow-up status reports which are reported to the Board of Regents quarterly.	To help ensure compliance with federal regulations and university policies. Improve internal controls.
AR11-25	5/18/11	UH Athletics Department, Endowments	To determine whether the Athletics Department is managing endowment funds	There were no formal agreements for 4 endowments and 1	Fully Implemented	Reduce the risk of non-compliance with university

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

LIST OF AUDITS COMPLETED
(INCLUDING HIGH-LEVEL OBJECTIVES, OBSERVATIONS/FINDINGS, RECOMMENDATIONS, AND STATUS)
FY 2011

Report No.	Report Date	Name of Report	High-Level Audit Objectives	Observations/Findings and Recommendations	Current Status	Fiscal Impact/Other Impact
			effectively and efficiently and is complying with the terms of the endowment agreements.	endowment agreement had not been finalized. Finalize endowment agreements or create a Memorandum of Understanding, as appropriate.		polices. Improve Internal controls.
AR11-26	5/18/11	UH College of Education, Endowments	To determine whether the College of Education is managing endowment funds effectively and efficiently and is complying with the terms of the endowment agreements.	Certain scholarship endowment funds could not be awarded due to the lack of qualified applicants. The College should work with Academic Affairs to help identify other methods to attract qualified applicants.	Incomplete/Ongoing The status of all management action items are included in the follow-up status reports which are reported to the Board of Regents quarterly.	Reduce the risk of non-compliance with endowment restrictions and university policies. Improve Internal controls.
AR11-27	8/17/11	Follow-Up Status Report - Actions Scheduled from April 1, 2011 to June 30, 2011	To ascertain that appropriate action is taken on reported audit findings.	This status report addressed 20 management actions in 11 individual reports. The report contained 15 completed actions.	N/A	Help ensure timely implementation of managements' planned actions.
AR11-28	8/17/11	Construction Awards from May 10, 2011 to June 30, 2011	To determine whether UHS is complying with its policies and procedures and the Texas Education Code in selecting its contractors for its major construction projects.	We noted no unusual items or other matters that we considered non-compliant with university policies and procedures or state statutes.	N/A	N/A
AR11-29	8/17/11	UH Library, Endowments	To determine whether the Library is managing	Endowment restrictions were not being communicated	Fully Implemented	Reduce the risk of non-compliance

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

LIST OF AUDITS COMPLETED
(INCLUDING HIGH-LEVEL OBJECTIVES, OBSERVATIONS/FINDINGS, RECOMMENDATIONS, AND STATUS)
FY 2011

Report No.	Report Date	Name of Report	High-Level Audit Objectives	Observations/Findings and Recommendations	Current Status	Fiscal Impact/Other Impact
			endowment funds effectively and efficiently and is complying with the terms of the endowment agreements.	annually. Notify, on an annual basis, endowment restrictions to all personnel responsible for the endowments.		with endowment restrictions and university policies. Improve Internal controls.
AR11-30	8/17/11	UHS Privacy	To determine whether UHS's privacy framework is adequate to effectively manage, control, and protect confidential information in accordance with applicable laws, regulations, and best practices.	The UHS privacy framework will be significantly enhanced by the implementation of the draft UHS privacy policy and the resulting adherence to its requirements by each UHS component institution.	N/A	To reduce the risk that confidential information is not protected in accordance with applicable laws, regulations, and best practices.
AR11-31	8/17/11	UH College of Education, Departmental Reviews	To determine whether departments are conducting financial and administrative activities in compliance with university policies.	We conducted 6 departmental compliance reviews and noted 21 instances of non-compliance with university policies and procedures.	N/A	Reduce the risk of non-compliance with university policies. Improve Internal controls.
AR11-32	8/17/11	UH College of Optometry, Endowments	To determine whether the College of Optometry is managing endowment funds effectively and efficiently and is complying with the terms of the endowment agreements.	The College Business Administrator implemented an annual process of communicating endowment restrictions to all personnel responsible for endowments during the review.	N/A	Reduce the risk of non-compliance with endowment restrictions and university policies. Improve Internal controls.
AR11-33	8/17/11	IT Audit Activity	To determine that adequate	No Observations/Findings.	N/A	N/A

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

LIST OF AUDITS COMPLETED
(INCLUDING HIGH-LEVEL OBJECTIVES, OBSERVATIONS/FINDINGS, RECOMMENDATIONS, AND STATUS)
FY 2011

Report No.	Report Date	Name of Report	High-Level Audit Objectives	Observations/Findings and Recommendations	Current Status	Fiscal Impact/Other Impact
		Report, FY 2011	controls are incorporated into major computer based systems, thorough system testing is performed at the appropriate stages, and system documentation is complete and accurate.			
AR11-34	8/17/11	UH College of Natural Sciences and Mathematics, Endowments	To determine whether the College of Natural Sciences and Mathematics is managing endowment funds effectively and efficiently and is complying with the terms of the endowment agreements.	Endowment restrictions were not being communicated annually. Notify, on an annual basis, endowment restrictions to all personnel responsible for the endowments.	Fully Implemented	Reduce the risk of non-compliance with endowment restrictions and university policies. Improve Internal controls.

Section 4

List of Consulting Engagements and Non-audit Services Completed

UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT

LIST OF CONSULTING ENGAGEMENTS AND NON-AUDIT SERVICES COMPLETED
(INCLUDING HIGH-LEVEL OBJECTIVES, OBSERVATIONS/RESULTS, RECOMMENDATIONS, AND STATUS)
FY 2011

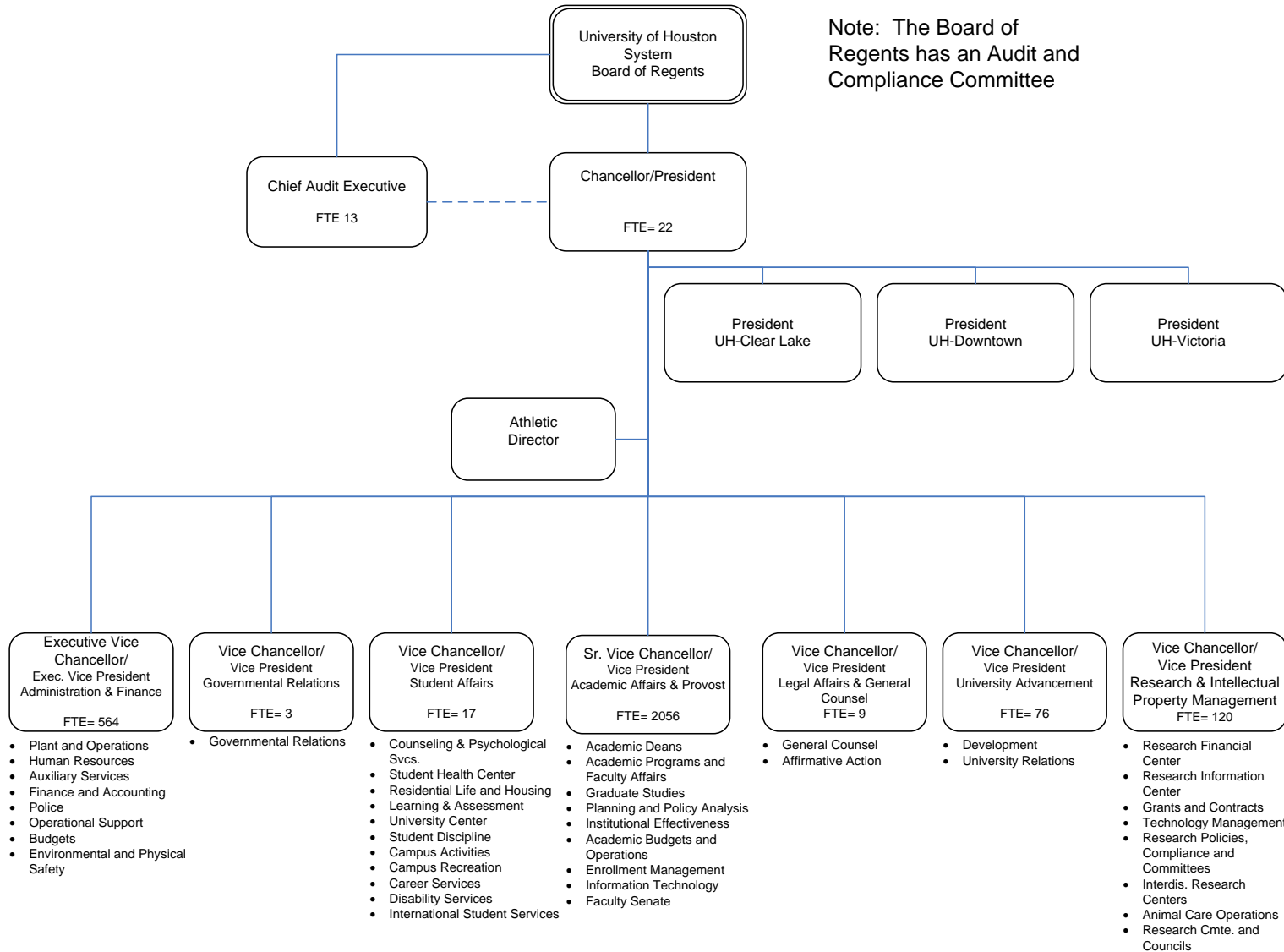
Report No.	Report Date	Name of Report	High-Level Consulting Engagement/Non-audit Service Objectives	Observations/Results and Recommendations	Current Status	Fiscal Impact/Other Impact
No consulting and non-audit services were performed during FY 2011.						

Section 5

Organization Chart

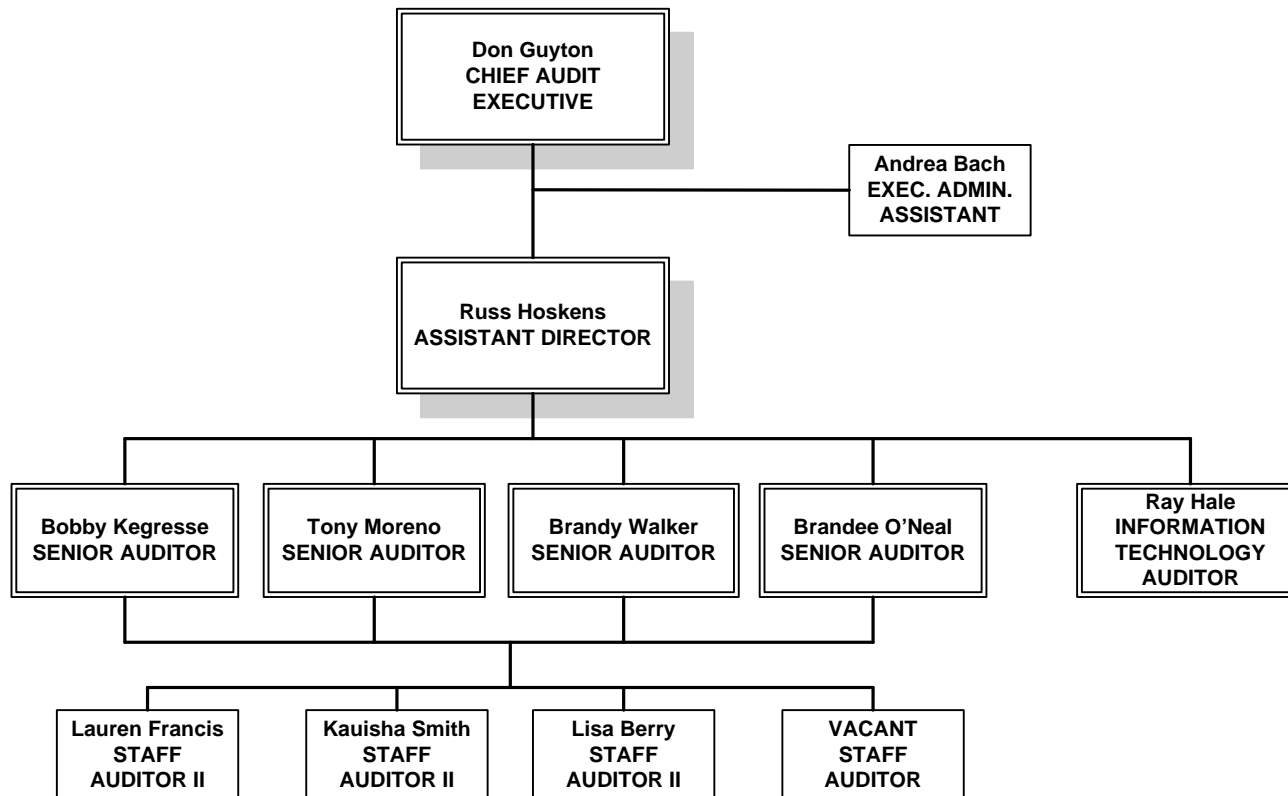
University of Houston System/University of Houston

Note: The Board of Regents has an Audit and Compliance Committee



FY2007 Total Appropriated Funds; UH= 2795 FTE, UHSA= 63 FTE, TOTAL= 2858 FTE

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING
ORGANIZATION CHART**



Section 6

Report on Other Internal Audit Activities

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
ANNUAL ACTIVITY REPORT
REPORT ON OTHER INTERNAL AUDIT ACTIVITY
FISCAL YEAR 2011**

ACTIVITY	IMPACT
Annual Internal Audit Activity Report, FY 2010	Prepare the annual activity report for distribution.
Assist the State Auditor's Office	Provide assistance to the State Auditor's Office on various projects.
Assist the UH Police Department With Investigations	Provide assistance to UH Police Department and make recommendations to improve internal controls.
Follow-up Reviews/Procedures	Perform follow-up review of management's action plan items as they mature to determine whether management's responses were implemented and issue quarterly follow-up status reports.
Miscellaneous Management Requests	Assist management in analyzing various policy compliance/fiscal accountability situations.
Miscellaneous Special Projects	Provide assistance to management by providing independent appraisal of various management and accounting matters.
Internal Audit Peer Reviews: <ul style="list-style-type: none"> • UT El Paso • Stephen F. Austin 	Provide input to the Internal Audit Department on ways to improve the services that they offer.
System-wide Institutional Compliance Program	Facilitate the implementation process of the Institutional Compliance Program at all components.

Section 7

Audit Plan for Fiscal Years 2012 – 2014

UNIVERSITY OF HOUSTON SYSTEM

INTERNAL AUDITING DEPARTMENT

LONG - RANGE INTERNAL AUDIT PLAN

and

RISK ANALYSIS

Fiscal Years 2012 - 2014



UNIVERSITY OF HOUSTON SYSTEM

Internal Auditing Department
Houston, Texas 77204-0930
(713)743-8000
Fax: (713)743-8015

MEMORANDUM

TO: Ms. Nandita Berry
Chair, Audit and Compliance Committee

Dr. Renu Khator
Chancellor/President, UHS/UH

FROM: Don F. Guyton
Chief Audit Executive

DATE: July 22, 2011

SUBJ: Long-Range Internal Audit Plan - Fiscal Years 2012-2014

Attached for your review and approval is the UHS Internal Auditing Department Long-Range Internal Audit Plan for Fiscal Years 2012-2014 (Audit Plan). The Audit Plan has been prepared to meet the requirements of the Board of Regents directives and the Texas Internal Auditing Act (Texas Government Code, Chapter 2102), as amended. The Texas Internal Auditing Act requires the Board of Regents to approve the Audit Plan and periodically review the resources dedicated to the Internal Audit program and determine if adequate resources exist to ensure that risks identified in the annual risk assessment are adequately covered within a reasonable time frame. The Internal Audit resources are described in Section 2 of the Audit Plan, and the risk assessment is included in Section 8 of the Audit Plan. Risk assessment techniques were employed to identify auditable areas and to ensure that the accounting systems and controls, the administrative systems and controls, and other major systems and controls are reviewed on a periodic basis. Coverage of key departments and functions at planned intervals has been designed into the plan to assure that no significant auditable area has been overlooked.

Each auditable area has been evaluated as to its risks and other functions which might determine the urgency and frequency for performing an audit. In addition to an analytical review of all significant financial data for each campus, the risk evaluation and scheduling process included requests for input from all campus presidents, fiscal officers, and other key personnel. Once the risk assessment was completed, each auditable area was included in the audit schedule for the next three fiscal years or later.

Included in the attached Section 5 of the Audit Plan is a listing of brief audit objectives for each auditable area. These objectives relate to overall internal controls, efficiency of operations and compliance with laws and regulations, and Board of Regents and/or management policies and procedures.

Recommendation:

The Audit Plan should be flexible and periodically adjusted to adapt to changes in the audit environment. These changes include new or revised laws or regulations and changes in existing operations or activity levels. The Audit and Compliance Committee should approve these periodic changes to the Audit Plan. I recommend that the Board of Regents approve the attached Audit Plan, including the Internal Audit Resources, and delegate approval for periodic changes to the Audit and Compliance Committee.

DFG:rh
Attachment

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT**

**LONG-RANGE INTERNAL AUDIT PLAN
FY 2012-2014**

Table of Contents

<u>Description</u>	<u>Section</u>
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Summary of Man-Hours / Man-Hour Assumptions	2
Audit Team	3
Auditable Areas	4
Audit Objectives	5
Three-Year Audit Schedule	6
Frequency of Audit Activity	7
Risk Analysis	8

**University of Houston System
Internal Auditing Department**

**Long-Range Internal Audit Plan
Summary of Man-Hours**

<u>Activity</u>	<u>Fiscal Year</u>		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
Scheduled Audits	7,452	7,402	7,352
IT Reviews/Monitoring	2,400	2,100	2,300
Special Projects	1,600	1,600	1,600
Departmental Reviews	1,450	1,800	1,650
Follow-up Reviews	<u>500</u>	<u>500</u>	<u>500</u>
Total Direct Audit Hours	<u><u>13,402</u></u>	<u><u>13,402</u></u>	<u><u>13,402</u></u>

**University of Houston System
Internal Auditing Department**

**Long-Range Internal Audit Plan
Man-Hour Assumptions**

<u>Available Man-Hours</u>	<u>Chief Audit Executive</u>	<u>Assistant Director</u>	<u>Senior Auditor</u>	<u>Information Technology Auditor</u>	<u>Staff</u>
Vacations	120	120	96	96	96
Holidays (13 days)	104	104	104	104	104
Sick Leave	40	40	60	60	60
Professional Training	60	60	40	40	40
In-house Training	40	40	40	40	40
Professional Organizations	40	40	16	16	16
Indirect Audit Hours: Administrative	1,100	800	200	80	40
Direct Audit Hours	<u>576</u>	<u>876</u>	<u>1,524</u>	<u>1,644</u>	<u>1,684</u>
Total Hours Available	<u>2,080</u>	<u>2,080</u>	<u>2,080</u>	<u>2,080</u>	<u>2,080</u>
 <u>Allocable Direct Audit Hours</u>					
Direct Audit Hours By Position	576	876	1,524	1,644	1,684
Staff Size By Position	1	1	4	1	3
Employee Turnover/Attrition	-	-	-	-	0.5
Available Staff Size	<u>1.0</u>	<u>1.0</u>	<u>4.0</u>	<u>1.0</u>	<u>2.5</u>
Subtotal	<u>576</u>	<u>876</u>	<u>6,096</u>	<u>1,644</u>	<u>4,210</u>
Total Direct Audit Hours					<u>13,402</u>

Three-Year Audit Schedule, FY 2012 - 2014

Section 6

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
INTERNAL AUDIT PLAN, FY 2012-2014
SCHEDULED AUDITS - FY 2012**

<u>AUDIT ACTIVITY</u>	<u>BUDGET HOURS</u>
<u>ANNUAL ASSISTANCE / MANDATES (2,950 hours)</u>	
Annual External Audits - Liaison	100
Athletics - Football Attendance Audit	100
Board of Regents Travel, FY 2012	250
Chancellor/President's Travel, FY 2012	100
Follow-up Reviews	500
Special Projects/Police Investigations	1,600
State Auditor's Office Liaison	
Regional Accrediation Review - SACS (UHCL)	100
Audit Assistance - General	100
Follow-up Reports	100
<u>SYSTEM-WIDE AUDITS (4,900)</u>	
Auxiliary Contract Administration	600
Formula Funding	1,200
Endowments (UH)	1,000
Financial Aid (UHCL, UHD, and UHV)	900
General Accounting	1,200
<u>DEPARTMENTAL REVIEWS (1,250 hours)</u>	
Effectiveness of New Departmental Review Process	100
UH Research	250
UH University Advancement	150
UHCL Education	50
UHCL President's Office	100
UHD Administration & Finance	100
UHD Employment Services & Operations	100
UHD President's Office	50
UHD Public Service	50
UHD Student Services & Enrollment Management	50
UHV Arts & Sciences	50
UHV Business Administration	50
UHV Education	50
UHV President's Office	100
<u>INFORMATION TECHNOLOGY (2,300 hours)</u>	
IT - Review and Monitor of IT Systems	700
(PeopleSoft Student & Academic Administration - Post Implementation Review)	
Desktop Computing Support, User Support Services, Training, Computer Store (UH)	400
UH Information Security	500
Web Support Services (UH)	300
TAC 202 (UH)	400
<u>RESEARCH CENTERS (600)</u>	
Center for Materials Chemistry (UH)	150
Institute for Space System Operations (UH/UHCL)	150
Texas Center for Superconductivity (UH)	300
<u>QUALITY ASSURANCE REVIEWS (200)</u>	
Internal Auditing Internal Quality Assurance Review	100
Internal Auditing External Quality Assurance Review	100
<u>INITIATED DURING FY 2011 - TO BE COMPLETED/REPORTED IN FY 2012</u>	1,202
Total Hours Scheduled for Fiscal Year 2012	<u>13,402</u>

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
INTERNAL AUDIT PLAN, FY 2012-2014
FY 2011 AUDITS IN PROGRESS AT YEAR-END**

**Budget
Hours**

AUDIT ACTIVITY

Projects Initiated During FY 2011, But Not Completed

1,202

Board of Regents Travel, FY 2011
 Chancellor/President's Travel, FY 2011
 Contracts & Grants Administration (UHCL, UHD, and UHV)
 Departmental Reviews
 UH Academic Affairs/Provost Division
 UH College of Hotel & Restaurant Mangement
 UH Graduate College of Social Work
 Endowments (UH Engineering, UHS, UH Non-College Specific, UH Provost)
 Financial Aid, Direct Loans (UHCL, UHD, and UHV)
 Financial Reporting (all components)
 Research Centers
 UH Center for Advanced Materials
 UHCL/UH Environmental Institute of Houston
 UH Texas Institute for Measurement, Evaluation, and Statistics
 UH Texas Learning & Computation Center
 Student Accounting & Receivables (all components)
 TAC 202 (UHCL, UHD, and UHV)
 UH College of Hotel & Restaurant Mangement, Operational Review

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
INTERNAL AUDIT PLAN, FY 2012-2014
SCHEDULED AUDITS - FY 2013**

<u>AUDIT ACTIVITY</u>	<u>BUDGET HOURS</u>
<u>ANNUAL ASSISTANCE / MANDATES (3,250 hours)</u>	
Annual External Audits - Liaison	100
Athletics - Football Attendance Audit	100
Athletics - NCAA Rules-Compliance	400
Board of Regents Travel, FY 2013	250
Chancellor/President's Travel, FY 2013	100
Follow-up Reviews	500
Special Projects/Police Investigations	1,600
State Auditor's Office Liaison	
Audit Assistance - General	100
Follow-up Reports	100
<u>SYSTEM-WIDE AUDITS (4,900)</u>	
Endowments (UHCL and UHD)	1,000
Facilities Management	1,200
Facilities Planning & Construction	600
Financial Aid	900
Payroll	1,200
<u>DEPARTMENTAL REVIEWS (1,800 hours)</u>	
UH Administration & Finance	300
UH Business	200
UH Engineering	250
UH Library	200
UH Natural Sciences & Mathematics	300
UH Student Affairs	300
UH Technology	150
UHD Business	50
UHD Humanities & Social Sciences	50
<u>INFORMATION TECHNOLOGY (2,100 hours)</u>	
IT - Review and Monitor of IT Systems	700
Enterprise Information Systems (UH)	600
Instructional Technology, Multimedia Services, Student Computing (UH)	400
TAC 202 (UHCL, UHD, and UHV)	400
<u>RESEARCH CENTERS (300)</u>	
Center for Computational Sciences & Advanced Distributed Simulation (UHD)	300
<u>INITIATED DURING FY 2012 - TO BE COMPLETED/REPORTED IN FY 2013</u>	1,052
Total Hours Scheduled for Fiscal Year 2013	<u>13,402</u>

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
INTERNAL AUDIT PLAN, FY 2012-2014
SCHEDULED AUDITS - FY 2014**

<u>AUDIT ACTIVITY</u>	<u>BUDGET HOURS</u>
<u>ANNUAL ASSISTANCE / MANDATES (3,350 hours)</u>	
Annual External Audits - Liaison	100
Athletics - Football Attendance Audit	100
Athletics - NCAA Rules-Compliance	400
Board of Regents Travel, FY 2014	250
Chancellor/President's Travel, FY 2014	100
Follow-up Reviews	500
Special Projects/Police Investigations	1,600
State Auditor's Office Liaison	
Regional Accreditation Review - SACS (UHV)	100
Audit Assistance - General	100
Follow-up Reports	100
<u>SYSTEM-WIDE AUDITS (4,900)</u>	
Endowments (UH and UHV)	800
Financial Aid (UHCL, UHD, and UHV)	900
Human Resources	1,000
Parking	1,000
Property Management (Fixed Assets)	1,200
<u>DEPARTMENTAL REVIEWS (1,650 hours)</u>	
UH Honors College	50
UH Law Center	100
UH Liberal Arts & Social Sciences	1,000
UH College of Pharmacy	100
UHCL School of Business	50
UHCL School of Science and Computer Engineering	50
UHD Sciences & Technology	300
<u>INFORMATION TECHNOLOGY (2,300 hours)</u>	
IT - Review and Monitor of IT Systems	700
Enterprise Infrastructure and Services (UH)	300
Network Infrastructure and Services (UH)	300
Operations, Data Center, Print Services (UH)	300
Telephony (UH)	300
TAC 202 (UH)	400
<u>RESEARCH CENTERS (300)</u>	
Center for Neuromotor and Biomechanics Research (UH)	300
<u>INITIATED DURING FY 2013 - TO BE COMPLETED/REPORTED IN FY 2014</u>	902
Total Hours Scheduled for Fiscal Year 2014	<u>13,402</u>

Section 8

Procured External Audit Services

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
ANNUAL ACTIVITY REPORT
PROCURED EXTERNAL AUDIT SERVICES
FISCAL YEAR 2011**

Audit Area	Service Provided
KUHT (TV) and Association for Community Television	Annual financial Audit of KUHT (TV) and Affiliate.
KUHF (FM)	Annual financial audit of KUHF (FM).
Endowment Fund	Annual financial audit of the University of Houston System Endowment Fund.
Athletics	Annual agreed-upon procedures engagement of Intercollegiate Athletic Department.
Charter School	Annual financial audit of the Charter School.
New Construction	Construction audit of UH Sugarland Academic Building.

Section 9

Reporting Suspected Fraud and Abuse

**UNIVERSITY OF HOUSTON SYSTEM
INTERNAL AUDITING DEPARTMENT
ANNUAL ACTIVITY REPORT
REPORTING SUSPECTED FRAUD AND ABUSE
FISCAL YEAR 2011**

Actions taken to implement the requirements of:

- **Fraud Reporting.** *Article IX, Section 17.05, the General Appropriations Act (81st Legislature).*
- **Reporting Requirements.** *Article XII, Section 5(c), the General Appropriations Act (81st Legislature).*
- *Texas Government Code, Section 321.022.*

The University of Houston System has implemented the following in order to be in compliance with reporting of suspected fraud and abuse:

- System-wide policy on reporting and investigation fraudulent acts (SAM 01.C.04, Reporting/Investigating Fraudulent Acts).
- The Audit Committee Planner, Item 5.05, requires the Committee to evaluate management's identification of fraud risks, the implementation of antifraud prevention and detection measures, and the creation of the appropriate "tone at the top" by reviewing an annual report which summarizes the fraud risk analyses and related risk mitigation strategies.
- An Annual Fraud Prevention and Awareness Report containing actions taken by each University component is submitted to the Audit and Compliance Committee of the Board of Regents. A copy of the Annual Fraud Prevention and Awareness Report for FY 2010 is attached.

**University of Houston System
Annual Fraud Prevention and Awareness Report
FY 2010**

The Audit Committee Planner, Item 5.05, requires the Committee to evaluate management's identification of fraud risks, the implementation of antifraud prevention and detection measures, and the creation of the appropriate "tone at the top" by reviewing an annual report which summarizes the fraud risk analyses and related risk mitigation strategies. Listed below are the reports from each component.

University of Houston and UH System Administration

In October 2010, UH and UHSA departments completed their sixth annual online Department Fraud Risk Survey to identify internal controls within their department that need to be strengthened in order to prevent and detect fraud. In addition, processing units and other offices that have a far reaching effect on campus operations (Purchasing, Payroll, Information Technology, etc.) completed an Institutional Fraud Risk Survey to identify procedures within their unit that may need improvement. The fraud risk surveys are completed annually to remind administrators and unit heads of their responsibilities, so that they remain vigilant in fraud prevention and detection.

For the previous three years, all UH System employees have been required to complete online Fraud Prevention and Awareness training, as well as Code of Ethics training. In FY2011, all existing employees will be required to acknowledge their review of a document that summarizes key elements of these training programs, while new employees will be required to complete the actual training programs and associated quiz. The purpose of the summary document and training programs is to raise awareness of appropriate and inappropriate behavior for UH System employees, encourage fraud prevention and detection, and encourage reporting of suspected fraudulent activity.

Procurement cards (P-Cards) reduce the time and effort required to make small-dollar purchases and decrease the number of employee reimbursements. However, P-Card transactions must be carefully reviewed to ensure all transactions are appropriate and documented. In addition to reviews within each department, Accounts Payable reviews selected P-Card transactions for appropriateness and documentation. All P-Card cardholders are required to complete online training prior to receiving a P-Card and annually thereafter, and administrators who review P-Card transactions are also required to complete annual training as well. P-Card applicants are also required to pass a criminal history investigation prior to receiving a P-Card.

Finally, UH Finance maintains a link to fraud and institutional compliance frequently asked questions on the Finance home page (www.uh.edu/finance), which includes instructions for reporting suspected fraud and non-compliance through the MySafeCampus telephone hotline or web link.

University of Houston – Clear Lake

The University of Houston - Clear Lake continues to expand its fraud prevention and awareness activities with the formal establishment of the campus Institutional Compliance program on October 29, 2002. The Vice President of Administration and Finance is designated as the campus contact person for fraud and prevention.

Fraud prevention continues to be a top priority for the campus and is taken very seriously. Raising staff and student awareness of the risks of internal/external fraud and the importance of compliance with internal control procedures is vital in preventing fraud. The main purpose of the fraud risk assessment report is:

- To ensure that UHCL has adequate procedures and internal controls in place designed to prevent, detect and deter fraud
- Identify potential risk areas and develop administrative and departmental action items for minimizing these risks; and
- Highlight UHCL's oversight function designed to prevent, detect and deter fraud.

A strong ethical foundation is essential in an organization's efforts to prevent and detect fraud. UHCL operates in a complex and operationally diverse environment. UHCL's effort to promote and communicate expectations of ethical behavior is widespread in the academic, administrative and finance areas. The University continues to encourage and educate staff and students on the Institutional compliance program, My Safe Campus hotline and My Safe Campus on-line reporting. All new employees receive this information during New Employee Orientation. In Fiscal Year 2010 all employees received online Fraud awareness training, Code of Ethics Training, and Information Security Awareness. In the month of October, 2009 the Compliance committee attended a presentation on "A Behind-the-Scenes Look at Fraud and Misconduct" that assist in fraud mitigation strategies.

During Fiscal Year 2010 the University of Houston Compliance Committee led by Harry Stenvall, Director, Risk Management met on a quarterly basis to discuss the identification and documentation of the major risks associated with the operations of each individual department. The committee reviewed and updated the online "Employee Compliance Guide" <http://prtl.uhcl.edu/portal/page/portal/RSK/Risk%20Management> in FY 2010. The committee received Optimization Utilization Forms completed and presented by General Accounting on American Recovery and Reinvestment Act of 2009, recognizing their objective, risk and exposure, operating controls and risk assessment rating. The end result being an overall fraud risk assessment rating of "Very low" to "Low."

University of Houston Clear Lake maintains petty cash and change funds throughout selected departments that collect cash payment from customers. An administrative review and audit was conducted with an overall fraud risk assessment rating of "Very Low" to "Low". In order to ensure there is no misuse/misappropriation of controlled and capital assets of the institution. Random physical inventory audit was conducted on identified assets of selected school and department for appropriate documentation, location verification, and, usage of the asset with a Fraud risk assessment rating of "Low".

In FY 2010 Fraud Risk Assessment was conducted in the area of General Accounting; Accounts Payable, Travel, Asset Management, Petty Cash and Cash Receipts, General Purchasing, Human Resources, Payroll, and Computing and were confirmed with the University Business Coordinators as existing or not existing along with a fraud risk assessment rating system. Using the Fraud risk assessment rating system:

- 1 - Very low (Provides no apparent opportunity for fraudulent activity excluding the existence of collusion and requiring no action)
- 3 – Low (Provides a low level of opportunity for fraudulent activity and requires no action except for weakness awareness)
- 5 – Moderate (Provides a moderate opportunity for fraudulent activity and requires a design strategy for improvement)
- 7 – High (Provides a high opportunity for fraudulent activity and requires design and implementation of strategy for improvement in the near future)
- 9 – Very High (Provides a very high opportunity for fraudulent activity and requires design and implementation of strategy for improvement immediately)

UHCL Fraud Risk Assessment Results

Fraud Risk Category	Number Control Measures Rated	Sum of Fraud Risk Assessment Ratings	Average Fraud Risk Assessment Rating
Information	4	4.00	1.00
General Accounting	6	6.00	1.00
General Resources	6	6.00	1.00
Assets	5	7.50	1.50
Petty Cash and Cash Receipts	9	9.00	1.00
Inventory	7	7.00	1.00
Owned Vehicles	5	5.00	1.00
Accounts Payable and Travel	6	10.00	1.67
General Purchasing	5	7.50	1.50
Purchase of Services	9	9.00	1.00
Human Resources	8	8.00	1.00
Payroll	8	8.00	1.00
Computing	10	13.50	1.35
Totals for the University	88	100.50	1.14

Based on the fraud risk assessment results, the University as of August 12, 2010, continues to maintain an overall fraud risk assessment rating of 1.14 which is “Very Low”.

University of Houston-Downtown

All UHD departments participated in the annual Department Fraud Prevention Survey during October/November of 2009. The primary purpose of the survey is to remind administrators and department heads of their responsibility to remain vigilant in fraud prevention and detection throughout the upcoming year. The results of the survey are used to support the Fraud Prevention statements related to the UH Downtown Financial Reports Certification Letter from the President to the UH System Board of Regents. No significant problems or trends were noted in the results of the UHD Annual Fraud Prevention Survey.

UH System Fraud Awareness Training is required of all new employees hired during the year as part of the mandatory training for all new hires. Additionally, all current employees are required to complete Fraud Awareness Training on an annual basis). During FY2010, 178 new hires and 937 current employees completed the training.

In October 2009 UHD hosted a presentation of “A Behind-the-Scenes Look at Fraud and Misconduct” by Kenneth Zeko, Esq., the Director of KPMG’s Dallas Forensic Practice. Zeko’s forensic experience includes internal and external investigations, compliance risk assessments, independent organization reviews and compliance program reviews. He presented the 2008-2009 results of KPMG’s national Integrity Survey which addressed the prevalence of misconduct in the workplace, nature of misconduct by job function, prevention of misconduct, detection and response to misconduct, perceived organizational tone and culture toward misconduct, and the impact of ethics and compliance programs.

UHD’s purchases via P-cards averaged \$200,000/mo in FY2010. Examples of P-card fraud occurring in both the public and private sectors are abundant. Recognizing this exposure, UHD has 1.5 positions in its Purchasing department that are responsible for oversight of the P-Card program. Questionable charges are subject to multiple levels of review. Disciplinary action may include but is not limited to e-mail or verbal warning, retraining, suspension of the card, cancellation of the card, reimbursement to the University and/or termination of employment from the University based upon the severity or repetition of the violation.

In March 2010, UHD completed all of the PCI compliance requirements to ensure that no credit card information is stored on any UHD computer system. This was done by setting up a Pay Pal account to accept payment for online applications submitted through ApplyTexas.org. UHD continues to monitor credit card payment procedures to ensure that PCI compliance requirements are met and that student financial information remains safeguarded.

UHDs Compliance and Ethics website was launched in June 2010 with a more pronounced awareness campaign scheduled for early fall. Key elements of the website include a letter from the President, an Employee Compliance and Ethics Guide and an Acknowledgement Form. The guide and acknowledgement form will be included with the annual mandatory training and will be a requirement for merit pay consideration. The website also includes departmental self-assessment tools designed to assist with improving and/or implementing good business practices.

On August 30, 2010, UHD implemented stronger password standards for its information technology systems. UHD System policies require all new or changed passwords to be of a certain length and include special characters. Among other security-related benefits, these changes protect against breach of user accounts and financially motivated system attacks.

University of Houston-Victoria

UHV continues the use of a variety of strategies within the framework of the campus Institutional Compliance Program in its efforts to prevent fraud and raise fraud awareness.

In FY10, new employee orientation sessions continued to include segments focused in explaining to new employees the importance of their role in fraud prevention and the considerable damaging effects that fraud can have on the university and the individual. The intent is that new employees have a better understanding of fraud in an educational setting and know they should report fraud when they become aware of or suspect it.

The Mandatory and Role Based Training program continues to be an important part of the campus program. The training modules focusing on fraud prevention and awareness included Fraud Awareness, Code of Ethics, Secure Our Systems and Credit Card Data Security (a role based module). The Department of Training and Development managed the training program and achieved a participation/completion rate of 99%.

Employees and students continue to be reminded monthly via the monthly Campus Incident Reports newsletter (http://www.uhv.edu/business/safety/manual/Incident_Log/Incidlog.aspx) to report suspected fraud or other non-compliance issues through MySafeCampus. In FY10, the campus implemented the widespread use of posters campus wide as another method of making employees and students aware of fraud and ethics violations as well as MySafeCampus and other reporting options.

UHV Review of Select Operations

- Identity Theft Program - The fiscal year just ended marked the 2nd year of the campus Identity Theft Program which was implemented in April 2009 to help prevent fraud associated with identity theft.
- Departmental Fraud Risk Survey - The most recent Departmental Fraud Risk Survey was completed in January 2010. All University departments completed the survey and compliance issues were addressed. The survey increases departmental awareness of university policies and procedures and is intended to help unit heads become aware of weaknesses in their operations and internal controls that can lead to fraud. (The FY11 Fraud/Risk Survey is scheduled for this fall.)
- Financial Aid Program - A significant managed activity at UHV and most universities is the proper administration of federal, state and campus student financial aid grants, loans and scholarships in the Financial Aid Department. In FY10, approximately \$20.4 million of financial aid was disbursed involving over 2357 students. Risk is managed through operational and internal controls reinforced with frequent audit oversight. Annually each Financial Aid employee is required to sign a Standards of Conduct and Conflict of Interest Certification acknowledging awareness of prohibited activities and the responsibility to report any conflict of interest, violations of law, fraud, or other irregularities promptly.
- Expenditures of State and Local Funds (including grant funds) – The University budget for FY10 included state appropriated and local funds (all ledgers) of \$42.7 million (up from 42.2 for FY09). As confirmed by the Controller and the Director, Human Resources, there were no confirmed incidents of fraud in the expenditure of state and local funds for vendor voucher payments, employee reimbursements or payroll during this reporting period.
- Procurement Card Program – There were no known or reported allegations of employee fraud involving P-Card expenditures. The issuing bank did report possible

“compromised” card activity outside the control of the University and as a precautionary measure, cancelled and reissued 18 cards; however, no losses to the University resulted. In FY10, \$891,000 of expenditures representing over 5,400 transactions was processed by 102 active cardholders. Annual refresher training continues to be required and each cardholder must acknowledge by signature their responsibilities as a departmental purchaser. New P-Card applicants are required to pass a criminal history investigation prior to issuance of a card. Beginning in FY11, P-Card holders will also have to take Credit Card Data Security Training in addition to P-Card Training annually.

UHV summary for FY10:

- Hotline or other reports of non-compliance: 5
 - Incidents found to be fraud related: None
- Confirmed instances of Personal Identity theft: None
- Confirmed instances of Financial Aid related fraud: None
- Confirmed instances of Procurement Card fraud: None
- Confirmed Instances of Payroll related fraud: None
- Confirmed instances of Voucher related fraud: None