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FOR
AUDIT, COMPLIANCE, AND MANAGEMENT REVIEW COMMITTEE

Committee Meeting: 5/12/2010
Austin, Texas

R. Steven Hicks, Chairman
Paul L. Foster
Janiece Longoria
Robert L. Stillwell

1. **U. T. System: Report on the Systemwide Compliance Work Plan for 2010 - 2011**

REPORT

Mr. Lawrence Plutko, Systemwide Compliance Officer, will provide a status update on the Systemwide Compliance Work Plan for 2010 – 2011 set forth on Pages 30 - 32.

THE UNIVERSITY OF TEXAS SYSTEM
SYSTEMWIDE COMPLIANCE OFFICE

COMPLIANCE WORK PLAN FOR FISCAL YEAR 2010-2011

<div style="writing-mode: vertical">30</div>

PLAN OBJECTIVES	AUTHORITATIVE GUIDANCE	STATUS AS OF 04/15/2010
I. RESEARCH CONFLICTS OF INTEREST • Study and make recommendations regarding policy, practice, procedures, and enforcement of the UT System institutions' research conflicts of interest policies. • Collaborate with the Office of General Counsel and the institutions to develop a System policy with performance standards/principles that will enhance and standardize institutional compliance for research conflicts of interest. • Devise a state-of-the-art policy implementation process with standardized procedures combined with legal/compliance oversight.	• National Science Foundation • Public Health Services Act • National Institutes of Health • Office of Research Integrity • Department of Justice	• Analysis of institutions' policies completed with recommendations made to the Chancellor. • Draft System policy written and transmitted to the institutions for a 75-day vetting period. The comment period is completed. • IT support plan containing options for electronic submission of disclosures completed and now being vetted at the institutions.
II. VENDOR RELATIONS • Study and make recommendations regarding policy, practice, procedures, and enforcement of the UT System institutions' policies on vendor relations. • Collaborate with OGC to develop a System policy and guidelines to govern and offer guidance on the interactions between the institutions and personnel with vendors providing financial support for educational activities, educational materials, preceptorships, fellowships, scholarships, and other similar areas.	• Anti-kickback Statute • PhRMA Code on Interactions with Healthcare Professionals • OIG Program Guidance for Pharmaceutical Manufacturers • ACCME Standards for Commercial Support	• TBA – early 2011 after completion of Research Conflicts of Interest initiative.

THE UNIVERSITY OF TEXAS SYSTEM
SYSTEMWIDE COMPLIANCE OFFICE

COMPLIANCE WORK PLAN FOR FISCAL YEAR 2010-2011

PLAN OBJECTIVES	AUTHORITATIVE GUIDANCE	STATUS AS OF 04/15/2010
III. RECOVERY AUDIT CONTRACTOR PROGRAM • Collaborate with Health Affairs to develop a best practices framework to deal with CMS Claim Review Programs with a particular focus on the Recovery Audit Contractor (RAC) Program. • Design an interdisciplinary team model to provide overall guidance and direction to oversee RAC readiness and coordinate the intricate RAC appeals process.	• Medicare Prescription Drug, Improvement and Modernization Act (MMA, 2003) • Tax Relief and Health Care Act (2006)	• All health institutions have developed RAC committees/teams and completed RAC readiness checklist. • Systemwide Compliance providing compliance consultation as needed.
IV. EXPORT CONTROLS COMPLIANCE • Collaborate with Research and Technology Transfer to develop a model UT System Export Controls program for the benefit of the institutions.	• Department of State/ITAR • Department of Treasury/OFAC • Department of Commerce/EAR	• Task Force completes draft export controls policy and Research & Tech Transfer transmits and completes vetting process at the institutions for U. T. System Policy 173.
V. CLINICAL RESEARCH BILLING COMPLIANCE • Collaborate with Health Affairs to develop a model UT System Clinical Research Billing Compliance program for the benefit of the institutions. • Conduct a compliance effectiveness review once the enhanced program is in place.	• Medicare General Rules • Medicare Investigational Devices • Medicare National Coverage Determinations • Medicare Secondary Payor Rules • Medicaid General Rules	• Guiding Principles for Clinical Research Billing Compliance completed. • Onsite, pre-enhancement compliance reviews completed at all health institutions utilizing the Guiding Principles.

THE UNIVERSITY OF TEXAS SYSTEM
SYSTEMWIDE COMPLIANCE OFFICE

COMPLIANCE WORK PLAN FOR FISCAL YEAR 2010-2011

PLAN OBJECTIVES	AUTHORITATIVE GUIDANCE	STATUS AS OF 04/15/2010
VI. HITECH ACT HIPAA PROVISIONS • Collaborate with Health Affairs and OGC to study and prepare for the major revisions to the HIPAA Privacy and Security Rules delineated in the new provisions. • Update changes to the Notice of Privacy Practices (NOPP), standard Business Associate Agreements (BAA), and other mechanisms. • Develop a Breach Notification Policy and other policies as required.	• Health Information Technology for Economic and Clinical Health Act (HITECH Act, 2009)	• Plans for a series of June Systemwide Compliance Academy web conferences co-sponsored by SWC and OGC in collaboration with the HIPAA Privacy and Security Officers completed. • A parallel series is being planned for academic health centers.
VII. SYSTEMWIDE COMPLIANCE PROGRAM ENHANCEMENT • Develop an action plan in collaboration with the Institutional Compliance Officers to implement the new Systemwide Compliance Program Charter and implement the same. • Revise U. T. System Policy 119, Institutional Compliance Program. • Revise quarterly reporting to include institutional compliance effectiveness metrics and institutional work plan progress and milestones.	• Compliance Charter for the Systemwide Compliance Office (2009) • U. T. System Policy 119, Institutional Compliance Program	• Action plan, chartering compliance advisory committees, completed. • All institutions have completed and submitted work plans for FY 2010-2011. • Phase One revisions completed for enhanced quarterly reporting.
VIII. VIRTUAL COMPLIANCE ACADEMY • Establish a web conferencing and webinar platform to serve as an education and communication tool to vet and discuss compliance program objectives and initiatives, to provide professional development opportunities, and to sponsor compliance continuing education programs on key topics.	• N/A	• The Compliance Academy sponsored 7 webinars with a total of over 300 registrants. • The Academy also sponsored 14 medical billing compliance webinars with over 1000 registrants.

2. **U. T. System: Presentation on the U. T. Systemwide Endowment Compliance Program**

REPORT

Vice Chancellor Safady will report on the U. T. Systemwide Endowment Compliance Program using a PowerPoint presentation set forth on Pages 34 - 50.

Endowment Compliance Program

Randa Safady
Vice Chancellor for External Relations

U. T. System Board of Regents' Meeting
Audit, Compliance, and Management Review Committee
May 2010

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Program History and Mission

- Authorized by the Board of Regents in November 2001

- Stewardship of public trust and $5.7 billion of endowed philanthropic contributions

- Compliance with laws, policies and endowment agreements

- Maximization of endowment resources

- Improved reporting to donors and U. T. leadership

Endowment Compliance Cycle

U. T. System/Institution

Endowment Management and Administration

U. T. System

Gift Acceptance

Institution

Monitoring and Reporting

U. T. System

Analysis

Board of Regents

System Executive Officers

U. T. System

Reporting

U. T. System

Monitoring Implementation Plan

Institution

Management Response and Implementation Plan

Institution

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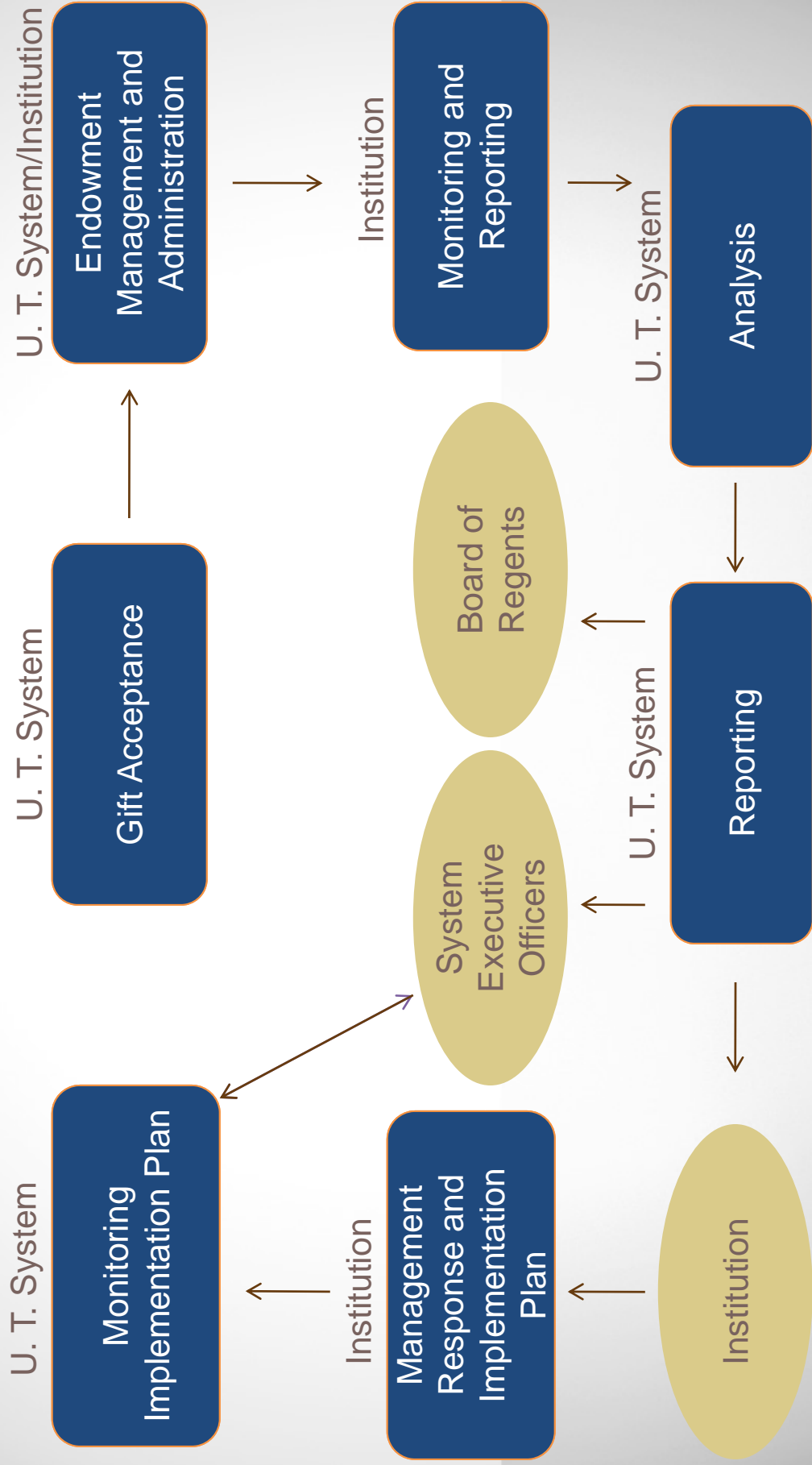
Historical Endowment Numbers

Numbers of Endowments

7,391	7,757	8,156	8,616	9,124	9,585
FY04	FY05	FY06	FY07	FY08	FY09

Where Endowments Are Held

- Held By Board - 8,674
- Held By Others - 21
- U.T. Affiliate - 890

9.28%

0.22%

90.5%

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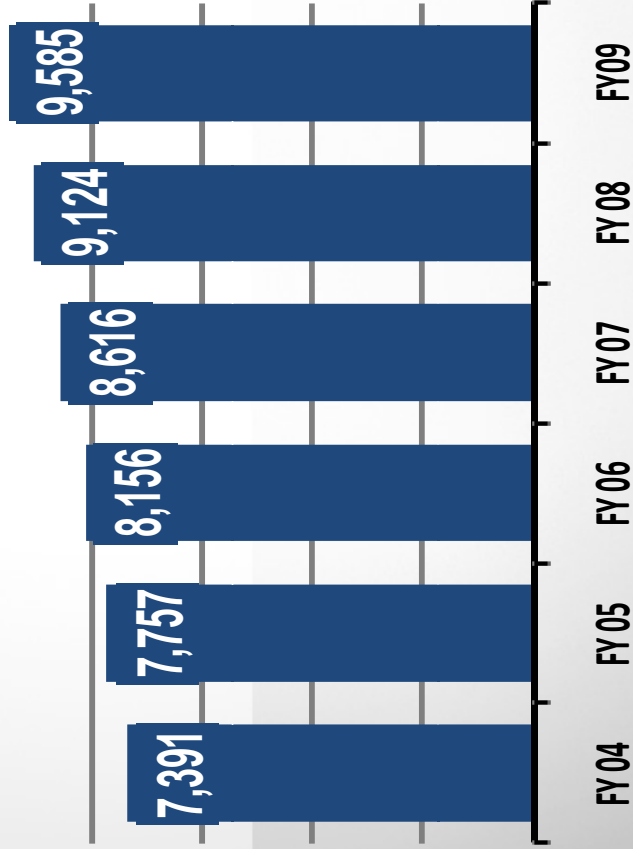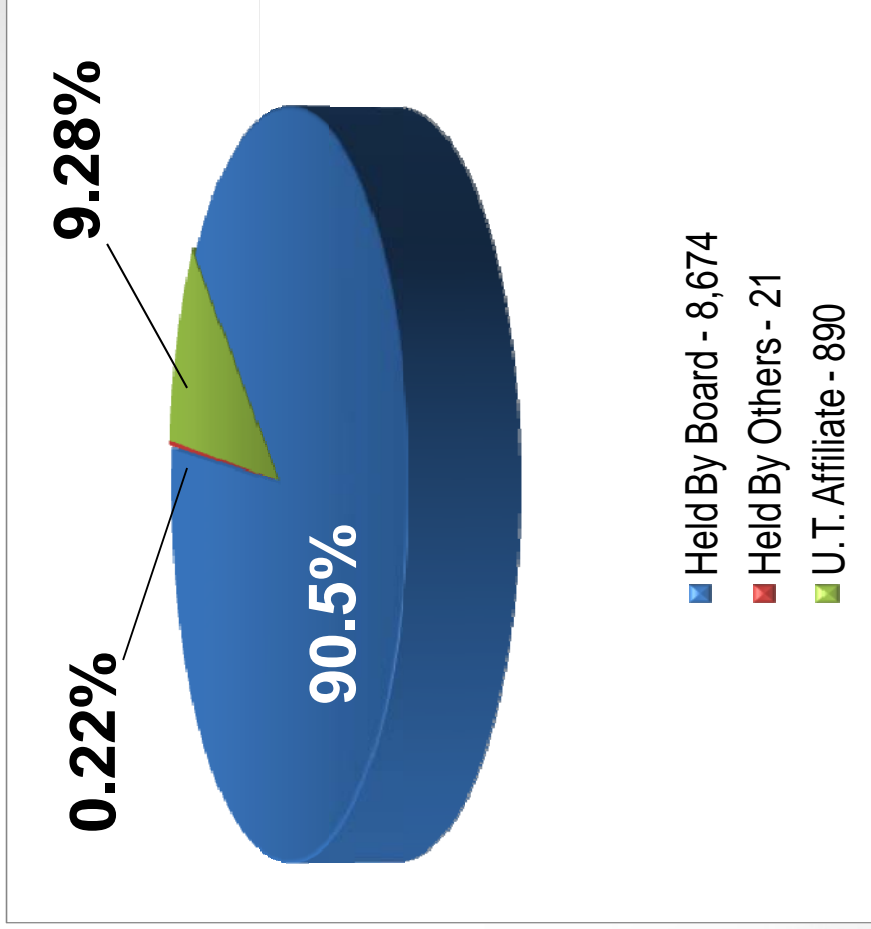
Historical Endowment Value

Market Value (billions)

FY04	FY05	FY06	FY07	FY08	FY09
$4.9	$5.3	$5.8	$6.5	$6.4	$5.7

Where Endowments Are Held

- 80%
- 12%
- 8%

- Held By Board – $4.6 Billion
- Held By Others – $683.8 Million
- U.T. Affiliate – $449.5 Million

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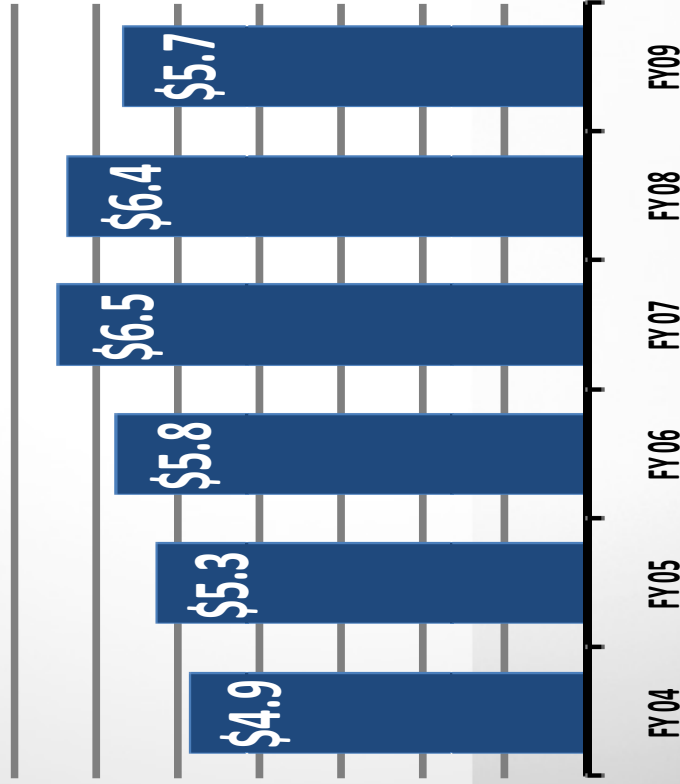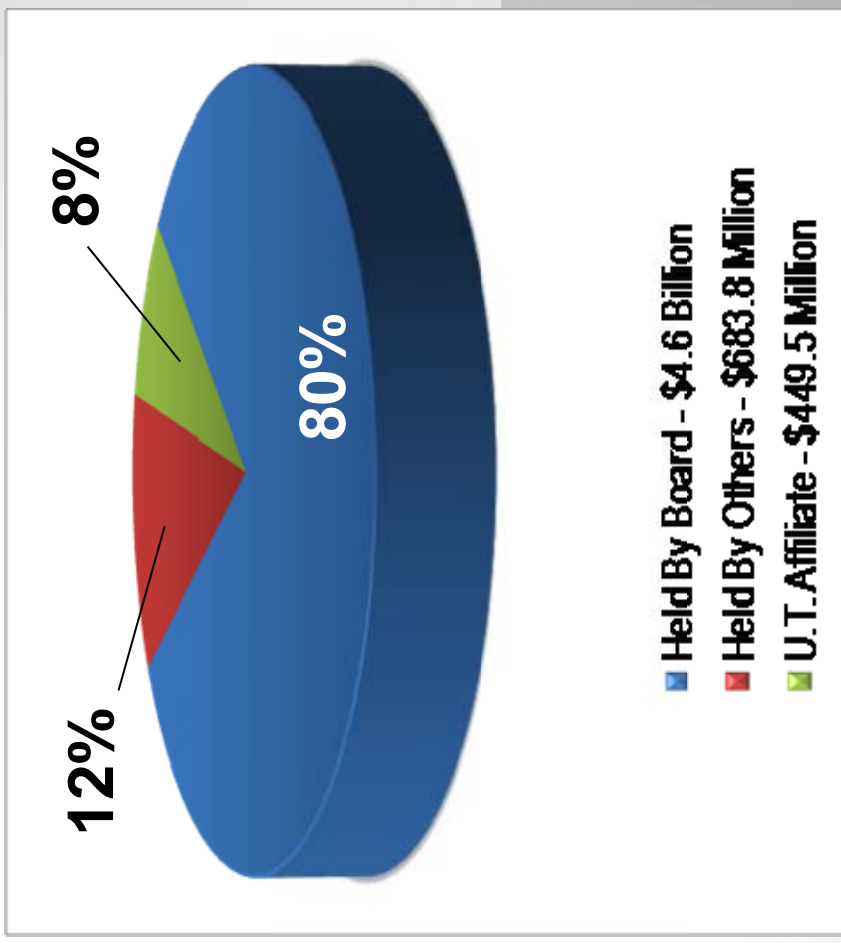
Endowments as of August 31, 2009

Institution	Total Endowments	% Increase in Total Over 2008	Market Value of Board-Held Endowments	Market Value of Externally-Held Endowments	Total Market Value	Market Value +/- Over 2008	% Market Value +/- Over 2008
U. T. Arlington	403	14%	$53,464,752	$50,848	$53,515,599	($7,490,638)	-12%
U. T. Austin	4,760	5%	$2,376,932,805	$156,564,272	$2,533,497,076	($384,323,132)	-13%
U. T. Brownsville	93	11%	$6,305,803	$0	$6,305,803	($1,017,815)	-14%
U. T. Dallas	170	8%	$195,053,618	$1,463,129	$196,516,747	($55,432,369)	-22%
U. T. El Paso	539	5%	$108,342,429	$450,000	$108,792,429	($11,587,160)	-10%
U. T Pan American	263	5%	$26,551,755	$24,207,359	$50,759,113	($8,664,452)	-15%
U. T. Permian Basin	96	2%	$15,254,934	$5,434,400	$20,689,334	($1,740,414)	-8%
U. T. San Antonio	304	8%	$46,665,080	$0	$46,665,080	($7,419,136)	-14%
U. T. Tyler	200	4%	$55,460,253	$3,295,226	$58,755,478	($7,821,546)	-12%
U. T. SWMC-Dallas	825	2%	$633,332,481	$291,109,901	$924,442,382	($161,069,631)	-15%
U. T. MB Galveston	652	2%	$368,491,989	$631,848,544	$1,000,340,534	$23,091,464	2%
U. T. HSC-Houston	401	5%	$128,845,537	$1,623,256	$130,468,793	($22,032,971)	-14%
U. T. HSC- San Antonio	329	9%	$138,497,457	$865,806	$139,363,263	($20,794,199)	-13%
U .T. MDACC	391	6%	$402,038,069	$0	$402,038,069	($54,088,542)	-12%
U. T. HSC-Tyler	41	3%	$9,184,005	$0	$9,184,005	($1,287,219)	-12%
U.T. System Administration	110	7%	$23,808,189	$6,711,604	$30,519,793	$2,095,601	7%
Multi-Institution	8	33%	$4,480,737	$9,650,787	$14,131,524	$2,854,228	25%
Total	9,585	5%	$4,592,709,892	$1,133,275,131	$5,725,985,023	($716,727,931)	-11%

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Board-Held Endowments

- The 8,674 Board of Regents-held endowments as of August 31, 2009 are restricted as follows:

Number of Endowments: 8,674
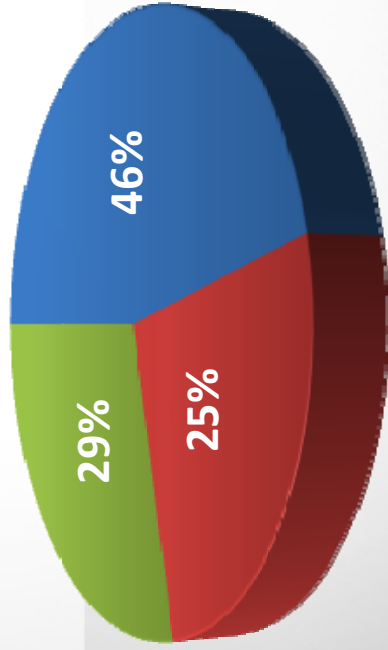
Market Value $4.6 Billion

■ Student Support ■ Academic Positions ■ Program Support/Misc.

46%

25%

29%

■ Student Support ■ Academic Positions ■ Program Support/Misc.

$668.7 Million (14%)

$1.7 Billion (37%)

$2.2 Billion (49%)

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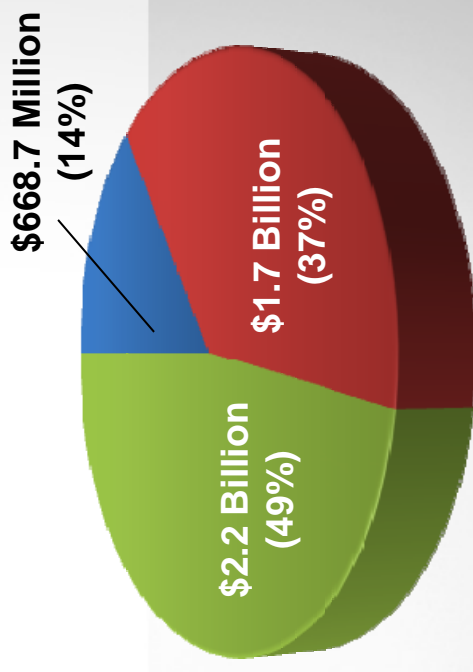
Board-Held Endowments: Distributions

Purpose	Distributions
Student Support	$34.2 million
Academic Positions	$86.1 million
Program Support/Misc.	$96.0 million
Total	$216.3 million

Four Program Elements

- ## Risk assessment
  - Annual review of endowment issues to ensure the U. T. institution's ability to meet its mission and objectives and promise to benefactors

- ## Monitoring plan
  - Activities performed, based on risk assessment, to identify and ensure compliance

- ## Education and training
  - Ongoing education of staff and endowment signatories on compliance issues, including use of funds

- ## Reporting
  - Endowment reports provided annually to donors; endowment compliance reports presented annually to Board of Regents and U. T. System Administration and U. T. institution leadership

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Primary Risks Monitored

- **Inappropriate expenditures**
  - Expenditures outside terms of endowment agreement

- **No expenditures**
  - Endowments from which no funds have been expended during the reporting period

- **Excessive accumulations**
  - Accumulations of endowment's earnings above the standard set by the institution

- **Unfilled endowed academic positions**
  - Positions without a holder appointed

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Inappropriate Expenditures

- Inappropriate expenditures remain low at 0.44% of total market value of identified endowments
  - 98% of endowments were compliant
  - Action plans have been implemented to address others

Chart axis labels: 3%, 2%, 1%, 0%

Data points:
- 2.2%
- 1.5%
- 1.41%
- 0.8%
- 1.08%
- 0.44%

FY2007 36% Reviewed
FY2008 38% Reviewed
FY2009 43% Reviewed
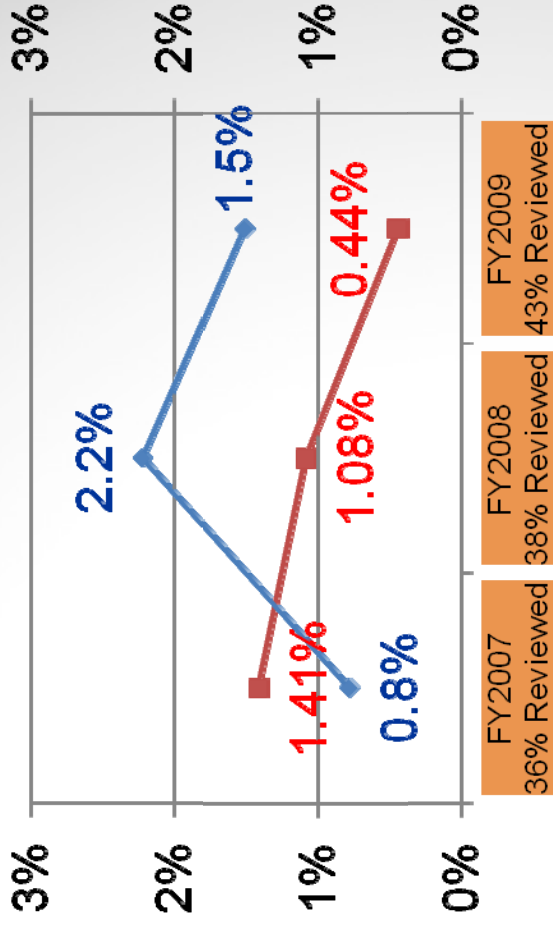
- Percentage of Market Value of Identified Endowments
- Percentage of Endowments with Inappropriate Expenditures

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No Expenditures

- Percentage of endowments with no expenditures and no justification decreased from last year

  - 98% of endowments were compliant

  - Institutions are reviewing and implementing action plans to address others

4% —

3% — 3.6%

2% — 2.9%

1% — 2.0%

| FY2007 36% Reviewed | FY2008 40% Reviewed | FY2009 44% Reviewed |
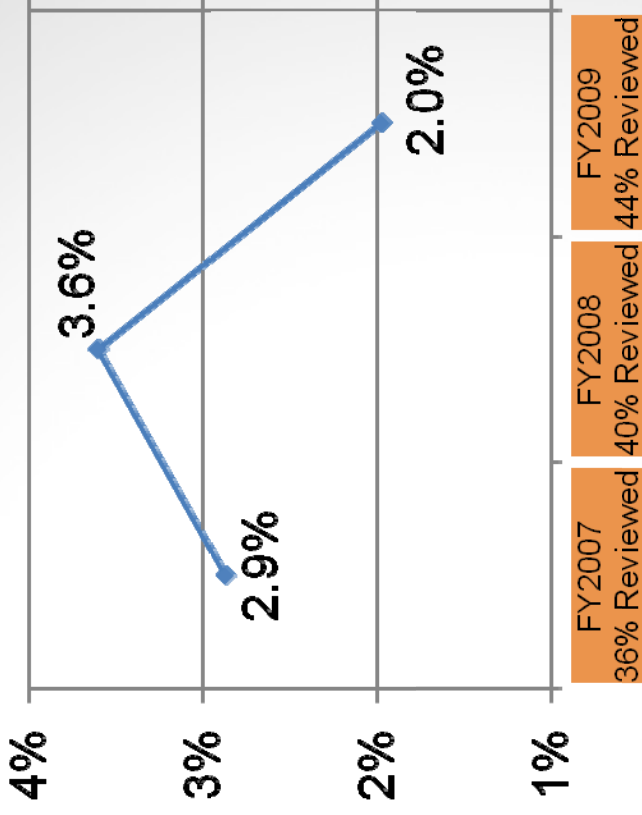
◆ Percentage of Endowments Reviewed with No Expenditures and No Justification

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Excessive Accumulations

- Percentage of endowments with excessive accumulations and no justification decreased from last year

  - 97% of endowments were compliant

  - Institutions are reviewing and implementing action plans to address others

FY2007 36% Reviewed	FY2008 40% Reviewed	FY2009 44% Reviewed
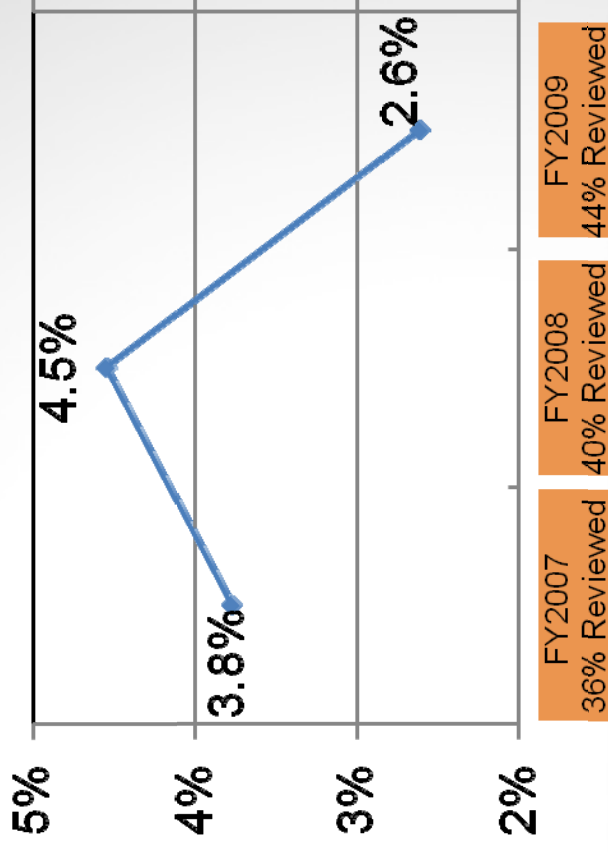
← Percentage of Endowments Reviewed with Excessive Accumulations and No Justification

5% — 4.5%
4% — 3.8%
3%
2% — 2.6%

Unfilled Academic Positions

- Percentage of unfilled positions continues to decrease

- 100% of positions were reviewed (2,361)
  - 86% were filled on 8/31/09
  - Unfilled positions vacant for an average of 30 consecutive months
  - Institutions are reviewing and implementing action plans
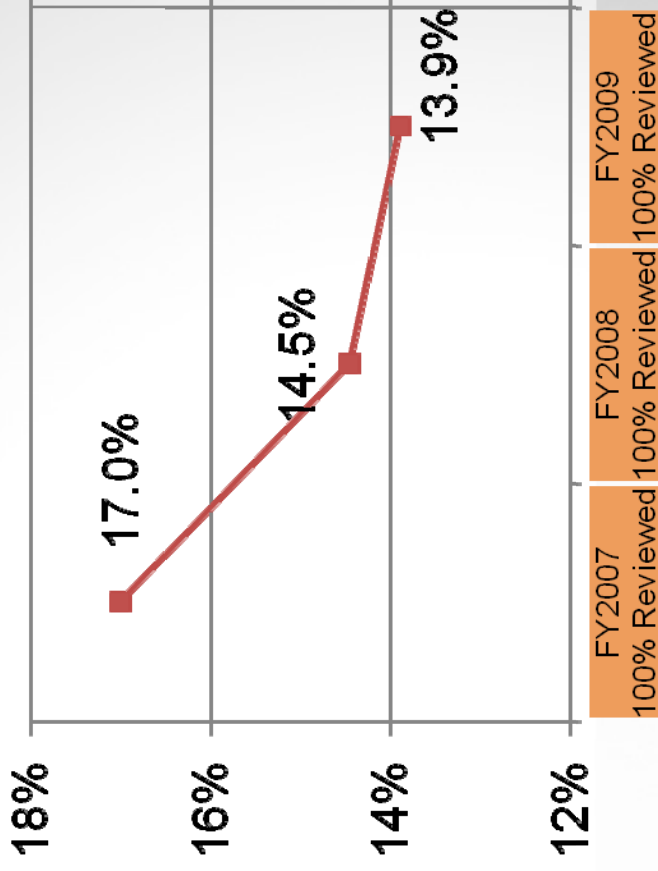
Chart: Percentage of Positions Unfilled

- 18%
- 16% — 17.0%
- 14% — 14.5%
- 12% — 13.9%

FY2007 100% Reviewed | FY2008 100% Reviewed | FY2009 100% Reviewed

Funding for the Program

- Board of Regents allows each institution to take an annual fee of 0.08% to 0.2% of the market value of its endowments, depending on eligibility

- In FY09, $7.7 million in fees distributed to support endowment management and administration

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Progress and Plans for Improvement

- Institution reports are analyzed and a management response is required from the U. T. institution

- Implementation of management response is monitored; increased accountability has resulted in improvement in most report categories

- Beginning in FY10, all endowments will be reviewed at least every 3 years

- Improvement to the tracking of institution progress

- Inclusion of a "Report of Use" letter with all endowment donor reports

- Enhancement of the database to refine reporting and analysis capabilities

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Conclusions

- Program continues to identify risks and increase compliance

- Institutions continue to monitor more endowments each year

- Data gathered each year continues to identify trends

- Analysis provides ability to reverse or prevent negative trends

- Questions?

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3. **U. T. System: Internal Audit Department report for U. T. Health Science Center – Tyler**

<u>REPORT</u>

Using a PowerPoint presentation set forth on Pages 52 - 63, Ms. Kris Kavasch, Director of Internal Audit, U. T. Health Science Center – Tyler, will make a presentation on how audit coverage is achieved at a small institution.

Ms. Kris Kavasch, Director
Office of Internal Audit

U. T. System Board of Regents' Meeting
Audit, Compliance, and Management Review Committee
May 2010

Internal Audit Committee

- Internal Members

  - Dr. Kirk A. Calhoun, President and Chairman
  - Dr. David Coultas, Vice President for Clinical Affairs and Physician-In-Chief
  - Dr. Steven Idell, Vice President for Research
  - Mr. Vernon Moore, Vice President and Chief Business and Finance Officer
  - Mr. Rob Marshall, Vice President and Chief Operating Officer
  - Mr. Mac Griffith, Vice President and Chief Development Officer
  - Mr. G. David Hullum, Administrative Director, Business Operations
  - Mr. Joe Woelkers, Executive Director, Academic Affairs
  - Ms. Donna Martin, Director of Compliance and Information Security Officer

- External Members

  - Mr. Jeff Austin III, Vice Chairman, Austin Bank
  - Mr. Ken Findley, Attorney at Law, Findley Law Firm

- Meets quarterly with last meeting held on March 19, 2010

Internal Audit Department Staffing

- Department composition:

  ➢ Ms. Kris Kavasch, CPA, CFE, Director

  ➢ Ms. Gail Lewis, CPA, CIA, Supervisor

  ➢ Mr. Donald Henry, CGAP, Internal Auditor

- Audit reports issued: Average 10 per year

FAR FROM ORDINARY. CLOSE TO HOME.

Internal Audit Reporting Structure

- Director of Internal Audit reports functionally to both the president and the Internal Audit Committee

- Director of Internal Audit reports administratively to the president

High Risk Areas to be Audited in FY 2010

- 64% of the internal audit activities planned for FY 2010 are mapped to high risk areas identified in the following categories:

Category	Percentage of Plan
Financial	25%
Operational	18%
Compliance	17%
Information Technology	13%
Audit Follow-Up	4%
Projects – Audit, Consulting, & Other	23%

5

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Quality Assurance Review

- Most recent external quality assurance review report was issued in October 2009

- Result: "Generally conforms" in all material respects to Institute of Internal Auditors *Standards and Code of Ethics*

- Opportunities for improvement identified in the areas of:
  - ➤ Orientation of external members of the Internal Audit Committee
  - ➤ Risk based audit completion
  - ➤ Information technology audit coverage
  - ➤ Communicating audit results
  - ➤ Internal quality assurance program
  - ➤ Generally Accepted Governmental Auditing Standards compliance

- All recommendations have been addressed by the original implementation dates

U. T. System and U. T. Institution Partnerships

- Audit expertise in IT and other subject matters
- Ability to match strengths and opportunities across U. T. institutions through an oversight role

Identified Strengths:

System Audit Office

Solution:

Two System Audit Office Initiatives

Recurring Opportunity:

Small U. T. Institutions

- Limited number of available staff hours and IT audit expertise at UTHSCT

- Subject Matter Expert Exchange Program
- IT Audit Exchange Program

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UTHSCT and U. T. System Example

- Augmented by strategic assignment of an IT Audit Manager as the System Audit Office liaison to UTHSCT

U. T. System Strength: IT audit managers on team

Solution: System Audit Office dedicates IT audit oversight hours in FY 2010 audit plan

- Two IT audits on UTHSCT FY 2010 audit plan:
  - IT Governance
  - Texas Administrative Code § 202

UTHSCT Opportunity: IT audit expertise still being developed

- Goal is to assist UTHSCT in addressing its high risks and meeting IT audit requirements

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UTHSCT IT Governance Audit Case Study

- Contributes IT technical knowledge to audit

U. T. System IT Audit Manager

Result: U. T. System IT Audit Manager & UTHSCT Internal Audit Director combine efforts to conduct audit

- Contributes institutional knowledge to audit

UTHSCT Internal Audit Director

- Objective is to assess whether the IT governance of UTHSCT sustains and supports its strategies and objectives

Partnership Enhanced by Technology

- Common audit documentation software that allows both U. T. System and UTHSCT team members to work jointly on audit document files

- Secure shared Web site, accessible via UTHSCT network, allows for secure posting and sharing of project documents

Partnership is Cost Efficient

- Common audit documentation software and shared Web site allow for U. T. System IT Audit Manager to accomplish significant portion of work from Austin

- System Audit Office initiative calls for institutional liaisons to accomplish at least two objectives when traveling to U. T. institutions

  ➢ *Reference IT Governance Audit*: U. T. System IT Audit Manager traveled to UTHSCT to conduct seven joint audit interviews, review project documents on site, and accomplish the dual purpose of attending the quarterly institutional audit committee meeting

Benefits of Partnership

- For UTHSCT: Gain knowledge from U. T. System IT Audit Manager to improve IT audit expertise

- For U. T. System: Institutional knowledge gained during audit activities improves performance of System Audit Office liaison oversight role

- Systemwide:
  - Cost savings by avoiding having to "buy" IT audit expertise to fulfill audit requirements and address institutional risk
  - *Most importantly:* Capitalize upon synergy achievable as The University of Texas System

UTHSCT

4.   U. T. System: Report on the Systemwide internal audit activities, including the results of the Systemwide Huron/Effort Certification and Reporting Technology (ECRT) audit

REPORT

Mr. Charles Chaffin, Chief Audit Executive, will present the results of the Systemwide Huron/Effort Certification and Reporting Technology (ECRT) audit. In June 2007, after a two-year review of commercially-available systems, the U. T. System opted to purchase ECRT to assist in addressing the risks related to time and effort reporting errors at U. T. System institutions that receive grant funding for sponsored projects.

To date, 10 U. T. System institutions have implemented the ECRT solution, at a cost to U. T. System Administration of approximately $2.67 million. The U. T. System Audit Office performed an implementation audit of the ECRT solution to provide management with project status, cost, and a blueprint for future ECRT and other Systemwide application implementations. Notably, the ECRT project enjoyed success in the areas of project management, executive sponsorship, and user involvement, but there may be opportunities for improvement with regard to the technical aspects of the implementation, including maintaining process documentation.

Mr. Chaffin will also report on the implementation status of significant audit recommendations. The second quarter activity report on the Implementation Status of Outstanding Significant Findings/Recommendations is set forth on Pages 65 - 66. Satisfactory progress is being made on the implementation of all significant recommendations. Additionally, a list of other audit reports issued by the Systemwide audit program is on Pages 67 - 68.

BACKGROUND INFORMATION

Significant audit findings/recommendations are tracked by the U. T. System Audit Office. Quarterly, chief business officers provide the status of implementation, which is reviewed by the internal audit directors. A quarterly summary report is provided to the Audit, Compliance, and Management Review Committee of the U. T. System Board of Regents. Additionally, Committee members receive a detailed summary of new significant findings and related recommendations quarterly.

THE UNIVERSITY OF TEXAS SYSTEM
Implementation Status of Outstanding Significant Findings/Recommendations

U. T. SYSTEM AUDIT

Report Date	Institution	Audit	1st Quarter 2010		2nd Quarter 2010		Targeted Implementation Date	Overall Progress Towards Completion (Note)
			Ranking	# of Significant Findings	Ranking	# of Significant Findings		
2008-01	UTARL	System Security Audit		1		1	4/30/2010	Satisfactory
2009-07	UTARL	Digital Research Data Audit		1		1	6/1/2010	Satisfactory
2007-06	UTAUS	UTS163: Guidance on Effort Reporting Policies		1		1	4/30/2010	Satisfactory
2008-08	UTB	UTS165: Protecting the Confidentiality and Integrity of Digital Research Data Follow Up		1		1	4/1/2010	Satisfactory
2009-02	UTB	Fiscal Year 2008 Physical Plant Audit		1		0	3/1/2010	Implemented
2009-02	UTB	Fiscal Year 2008 Student Fees Audit		1		0	3/1/2010	Implemented
2009-07	UTD	Unix		1		1	6/1/2010	Satisfactory
2009-11	UTEP	Fiscal Year 2009 Annual Financial Report Audit		1		1	3/31/2010	Satisfactory
2009-12	UTEP	Texas Administrative Code Chapter 202 Audit - Phase 2				4	8/10/2010	Satisfactory
2010-02	UTEP	College of Engineering - Dean's Office				0	2/4/2010	Implemented
2009-03	UTSA	Banner User Access Audit (Security)		1		1	12/31/2010	Satisfactory
2008-09	UTSA	Information Technology Change Management Audit		1		1	8/31/2010	Satisfactory
2010-01	UTSA	Information Technology Asset Management Audit				1	11/30/2010	Implemented
2008-09	UTT	Fiscal Year 2008 State and Federal Grant Awards Audit		1		0	8/31/2009	Implemented
2008-11	UTT	Fiscal Year 2008 Annual Financial Report Audit		1		1	6/30/2010	Satisfactory
2009-04	UTT	Audit of Cash Handling Procedures		2		2	5/31/2010	Satisfactory
2009-06	UTT	Human Resource Development and Technology Audit		4		0	7/31/2009	Implemented
2009-03	UTT	Department of Communications		1		1	5/31/2010	Satisfactory
2010-02	UTT	Office of Sponsored Research Audit				2	4/30/2010	Satisfactory
2009-08	UTT	University Police Department		1		0	12/31/2009	Implemented
2010-02	UTSWMC	Physician Billing Compliance				1	7/30/2010	Satisfactory
2008-05	UTMB - Galveston	Information Systems Change Management Process		2		2	8/31/2010	Satisfactory
2008-05	UTMB - Galveston	Information Security Action Plan		2		0	2/28/2010	Implemented
2009-12	UTMB - Galveston	Epic Application				1	8/31/2010	Satisfactory
2009-12	UTMB - Galveston	Fiscal Year 2009 Annual Financial Report Audit				0	1/31/2010	Implemented
2010-02	UTHSC -Houston	Time and Effort Reporting				4	8/31/2010	Satisfactory
2009-07	UTHSC - San Antonio	Cash Handling/Participant Reimbursement Accounts Audit		2		2	6/30/2010	Satisfactory
2009-08	UTHSC - San Antonio	Change in Management - Police Audit		2		0	1/15/2010	Implemented
2007-06	UTMDACC - Houston	Conflict of Interest		1		1	2/28/2010*	Satisfactory
2007-09	UTMDACC - Houston	Maintenance and Security of Biological Research Materials		1		1	8/31/2009 *	Satisfactory
2007-10	UTMDACC - Houston	Research Compliance Design Review		1		1	8/31/2010	Satisfactory
2008-05	UTMDACC - Houston	Clinical Trial Research		1		1	5/31/2010	Satisfactory
2009-03	UTMDACC - Houston	Wireless and Firewall Remote Access Security Assessment		4		4	2/31/2012	Satisfactory
2009-03	UTMDACC - Houston	Review of Patch Management		1		1	11/30/2009 *	Satisfactory
2009-03	UTMDACC - Houston	Review of Performance and Capacity Monitoring		4		4	8/31/2009 *	Satisfactory
2009-03	UTMDACC - Houston	Review of Patient History Oracle Database Security		3		3	5/31/2009*	Satisfactory
2009-05	UTMDACC - Houston	Business Continuity Plan Review		1		1	2/28/2010**	Satisfactory

THE UNIVERSITY OF TEXAS SYSTEM
Implementation Status of Outstanding Significant Findings/Recommendations

Report Date	Institution	Audit	1st Quarter 2010 Ranking	1st Quarter 2010 # of Significant Findings	2nd Quarter 2010 Ranking	2nd Quarter 2010 # of Significant Findings	Targeted Implementation Date	Overall Progress Towards Completion (Note)
2010/02	UTMDACC - Houston	Information Security Organization Review			Red	5	5/31/2010	Satisfactory
2005-12	UTSYS ADM	System wide Financial Audit Fiscal Year 2005	Yellow		Yellow	1	9/1/2010	Satisfactory
2006-06	UTSYS ADM	UTIMCO Institutional Investment and Compliance Audits	Yellow	1	Yellow	1	8/31/2010	Satisfactory

Totals: 1st Quarter 47***   2nd Quarter 53

STATE AUDITOR'S OFFICE AUDITS

Report Date	Institution	Audit	1st Quarter 2010 Ranking	1st Quarter 2010 # of Significant Findings	2nd Quarter 2010 Ranking	2nd Quarter 2010 # of Significant Findings	Targeted Implementation Date	Overall Progress Towards Completion (Note)
2010-03	UTPA	Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2009			Red	1	9/30/2010	Satisfactory
2010-03	UTPA	Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2009			Orange	4	8/31/2010	Satisfactory
2009-03	UTPB	Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2008	Yellow	1	Green	0	3/31/2010	Implemented
2010-02	UTPB	Southern Association of Colleges and Schools Financial Statement Review Fiscal Year 2009			Red	1	8/31/2010	Satisfactory
2009-08	UTSWMC - Dallas	Campus Security Emergency Management Plans Audit		3	Yellow	3	12/31/2010	Satisfactory
2010-03	UTSWMC - Dallas	Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2009			Orange	1	4/30/2010	Satisfactory
2010-03	UTSWMC - Dallas	Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2009			Green	0	3/1/2010	Implemented
2010-03	UTHSC - Houston	Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2009			Green	0	1/29/2010	Implemented
2010-03	UTHSC - Houston	Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2009			Orange	1	7/31/2010	Satisfactory
2010-03	UTHSC -San Antonio	Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2009			Green	0	3/1/2010	Implemented
2010-03	UTHSC - San Antonio	Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2009			Red	2	11/30/2009*	Satisfactory
2007-05	UTSYS ADM	Charity Care at Health-Related Institutions	Yellow	1	Yellow	1	10/31/2010	Satisfactory

Totals: 1st Quarter 5   2nd Quarter 14

Color Legend:

- (Red) Either a new significant finding for which corrective action will be taken in the subsequent quarter or a previous significant finding for which no/limited progress was made towards implementation.
- (Orange) Significant finding for which substantial progress towards implementation was made during the quarter that the significant finding was first reported.
- (Yellow) Significant finding for which substantial progress towards implementation was made during the quarter.
- (Green) Significant finding was appropriately implemented during the quarter and will no longer be tracked.

Note:
Implemented - The Internal Audit Director deems the significant finding has been appropriately addressed/resolved and should no longer be tracked.
Satisfactory - The Internal Audit Director deems that the significant finding is in the process of being addressed in a timely and appropriate manner.
Unsatisfactory - The Internal Audit Director deems that the significant finding is not being addressed in a timely and appropriate manner.

* Recommendation deemed to be implemented per management and awaiting verification and validation by internal audit.

** Awaiting updated implementation date from the institution.

*** The total U. T. System significant findings for the first quarter of 2010 was previously reported as 44 due to the exclusion of three findings from U. T. M. D. Anderson Cancer Center's Review of Patient History Oracle Database Security, which were erroneously reported as implemented.

Institution	Audit
	OTHER U. T. SYSTEM AUDIT REPORTS RECEIVED BY SYSTEM AUDIT 12/2009 through 2/2010
Institution	**Audit**
UTAUS	National College Athletic Association Football Attendance
UTAUS	Change in Management - Thompson Conference Center
UTAUS	Texas Education Research Center
UTAUS	Information Technology Change Management
UTAUS	Cash Management and Cash Handling Policy
UTAUS	Change in Management - Department of American Studies
UTAUS	Change in Management - Ferguson Structural Engineering Laboratory
UTAUS	Change in Management - University Interscholastic League
UTAUS	Change in Management - Office of Admissions
UTAUS	Change in Management - Department of Human Development and Family Sciences
UTAUS	Texas Administrative Code, Chapter 202
UTB	Fiscal Year 2009 Audit of Dual Enrollment
UTB	Fiscal Year 2010 Audit of President's Travel and Entertainment Expenses
UTB	Fiscal Year 2010 Audit of Texas Workforce Commission Contract No. 2407SDF001
UTB	Fiscal Year 2009 Annual Financial Report Audit
UTD	President's Travel and Entertainment
UTD	Executive Education
UTD	Construction
UTD	Cash Handling and Cash Management
UTD	University Police
UTEP	Student Tuition and Fees
UTEP	Texas Administrative Code Chapter 202 Audit - Phase 3
UTEP	National Hackerman Advanced Research Programs
UTEP	Technology Transfer
UTPA	National College Athletic Association Compliance Eligibility
UTPA	Texas Administrative Code, Chapter 202 Audit
UTSA	Information Technology Organizational Funding
UTSA	Institutionally Managed Construction Projects
UTTY	Annual Financial Report Audit 2009
UTTY	Endowment Management Fee Review
UTTY	Annual Follow-up
UTTY	Review of Business Continuity Plan
UTSMC - Dallas	National Pediatric Infectious Disease Foundation Fiscal Year 2009 Annual Financial Report Audit
UTSMC - Dallas	Physical Plant Central Data and Acquisition System Audit
UTSMC - Dallas	Fiscal Year 2009 Financial Statement Audit
UTSMC - Dallas	University Hospitals Quality Indicators
UTSMC - Dallas	Expenditure Review - High Risk Areas
UTSMC - Dallas	Advanced Research Program Grants
UTSMC - Dallas	Physician Billing Compliance
UTHSC - Houston	Follow-up on Open Recommendations
UTHSC - Houston	UTHSC-H Financial Statement Assurance Work
UTHSC - Houston	Presidential Travel and Entertainment
UTHSC - Houston	Endowment Management Fees
UTHSC - Houston	Texas Higher Education Coordinating Board Family Practice Residency Program Fiscal Year 2009 Annual Financial Report Audit
UTHSC - Houston	Texas Higher Education Coordinating Board Obstetrics and Gynecology Residency Program Fiscal Year 2009 Annual Financial Report Audit
UTHSC - Houston	Texas Higher Education Coordinating Board Obstetrics and Gynecology Residency Program at LBJ Hospital Fiscal Year 2009
UTHSC - Houston	Texas Higher Education Coordinating Board Internal Medicine Residency Program Fiscal Year 2009 Annual Financial Report Audit
UTHSC - Houston	Texas Higher Education Coordinating Board Family Practice Preceptorship Program Fiscal Years 2008 and 2009 Annual Financial Report Audit
UTHSC - Houston	Follow-up on Open Recommendations
UTHSC - San Antonio	Research Grants: Review of Expenditures Audit
UTHSC - San Antonio	Institutional Follow-UP - 1st Quarter
UTHSC - San Antonio	President's Office: Expenditures Audit
UTHSC - San Antonio	Family Practice Residency Program Audit

OTHER U. T. SYSTEM AUDIT REPORTS RECEIVED BY SYSTEM AUDIT 12/2009 through 2/2010	
Institution	**Audit**
UTHSC - San Antonio	Institutional Follow Up: 2nd Quarter
UTHSC - San Antonio	Internal Medicine Primary Care Residency Program
UTHSC - San Antonio	Regional Academic Health Center Internal Medicine Primary Care Residency Program
UTHSC - San Antonio	Department of Pediatrics, Primary Care Residency Program
UTMDACC - Houston	Human Resources Compliance
UTMDACC - Houston	Advanced Recovery Programs/Advanced Technology Programs
UTHSC - Tyler	Fiscal Year 2009 Annual Financial Report Audit
UTHSC - Tyler	UTS166 Cash Management Audit - Cash Flow Analysis
UTHSC - Tyler	Family Medicine Residency Program Annual Financial Report Audit Fiscal Year 2009
UTSYS ADM	Information Technology Governance
UTSYS ADM	Fiscal Year 2009 Annual Financial Report Consolidation Process Audit
UTSYS ADM	Facilities Management Departmental Audit
UTSYS ADM	National College Athletic Association Fiscal Year 2009 - UT El Paso
UTSYS ADM	National College Athletic Association Fiscal Year 2009 - UT Pan American
UTSYS ADM	National College Athletic Association Fiscal Year 2009 - UT San Antonio
UTSYS ADM	National College Athletic Association Fiscal Year 2009 - UT Arlington
UTSYS ADM	National College Athletic Association Fiscal Year 2009 - UT Permian Basin
UTSYS ADM	Follow-up on Information Technology
UTSYS ADM	Facilities Management Operational Audit
UTSYS ADM	Federation Member Operating Practices Audit
UTSYS ADM	UT Brownsville President's Office Expenditures Audit
UTSYS ADM	Board of Regents Travel, Entertainment Expenses Audit

STATE AUDITOR'S OFFICE AUDIT REPORTS RELEASED 12/2009 THROUGH 2/2010	
Institution	**Audit**
UTSA, UTTY, UTPB, UTHSC -Houston,	Fiscal Year 2009 Southern Association of Colleges and Schools Accreditation Financial Review
UTA, UTAUS, UTPA, UTT, UTMB, UTHSC - Houston, UTHSC - San Antonio, UTMDACC - Houston	State of Texas Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2009
UTAUS, UTSA, UTHSC - Houston, UTSWMC - Dallas, UT SYS ADM	State of Texas Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2009