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Austin, Texas

Robert A. Estrada, Chairman

Rita C. Clements

Judith L. Craven, M.D.

Woody L. Hunt

Cyndi Taylor Krier

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A. CONVENE	10:00 a.m. <i>Chairman Estrada</i>		
1. U. T. System: Approval to renew the contract with Ernst & Young, LLP, as the external auditor for 2005 audit of funds managed by The University of Texas Investment Management Company (UTIMCO), and to negotiate for additional audit services related to UTIMCO	10:00 a.m. Action <i>Mr. Chaffin Mr. Wallace</i>	Action	29
2. U. T. System: Report on the Fiscal Year 2004 Annual Financial Report including beginning balance testing performed by Deloitte & Touche, LLP	10:05 a.m. Report <i>Mr. Wallace Mr. Rodney Lenfant, Deloitte & Touche, LLP</i>	Not on Agenda	30
3. U. T. System: Report on the 2004 State Auditor's Office financial statement audits of U. T. System institutions	10:20 a.m. Report <i>Mr. Chaffin Mr. Kelton Green, State Auditor's Office</i>	Not on Agenda	31
4. U. T. System: Report on System-wide Internal Audit Activity (Red, Yellow, Green Report)	10:30 a.m. Report <i>Mr. Chaffin</i>	Not on Agenda	32
B. RECESS TO EXECUTIVE SESSION	10:30 a.m.	Not on Agenda	
U. T. Board of Regents: Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees - <i>Texas Government Code Section 551.074</i>	<i>Mr. Schroeder, U. T. Arlington Mr. Vandervort, U. T. Austin Ms. Messer, U. T. Dallas Mr. Peters, U. T. El Paso</i>		
U. T. System: Discussion with institutional auditors concerning evaluation and duties of System and institutional employees involved in audit and compliance functions			
C. RECONVENE IN OPEN SESSION AND ADJOURN	11:00 a.m.		

1. **U. T. System: Approval to renew the contract with Ernst & Young, LLP, as the external auditor for 2005 audit of funds managed by The University of Texas Investment Management Company (UTIMCO), and to negotiate for additional audit services related to UTIMCO**

RECOMMENDATION

Chairman Estrada recommends approval to renew the auditing services contract with Ernst & Young, LLP, to perform audits for the fiscal year ending August 31, 2005, for funds managed by The University of Texas Investment Management Company (UTIMCO) as listed below:

- a. Permanent University Fund (PUF)
- b. The University of Texas System General Endowment Fund (GEF)
- c. Permanent Health Fund (PHF)
- d. The University of Texas System Long Term Fund (LTF)
- e. The University of Texas Short Intermediate Term Fund (SITF)

Approval is also requested for U. T. staff to negotiate and enter into a contract with Ernst & Young, LLP, to provide additional audit services related to UTIMCO, including UTIMCO's voluntary implementation of the Sarbanes-Oxley Act of 2002.

BACKGROUND INFORMATION

Fiduciary responsibility for the PUF, GEF, PHF, LTF, and SITF rests with the U. T. Board of Regents. Section 66.08 of the *Texas Education Code* requires that U. T. System have an annual financial audit performed of the PUF.

A Request for Qualifications (RFQ) was distributed by U. T. System staff in April 2003. Four proposals were received. After a review of the proposals and firm interviews by Regent Estrada and U. T. System staff, the Board of Regents authorized U. T. System staff to negotiate and enter into an auditing services contract with Ernst & Young, LLP, at the July 7, 2003 Board of Regents' meeting. The contract was for one year with a right to renew in one-year increments for four years. The contract was renewed by the Board of Regents on February 4, 2004. The fiscal year ending August 31, 2005, is the second year this contract has been up for renewal.

2. **U. T. System: Report on the Fiscal Year 2004 Annual Financial Report including beginning balance testing performed by Deloitte & Touche, LLP**

REPORT

Mr. Randy Wallace, Associate Vice Chancellor - Controller and Chief Budget Officer, will discuss the overall process of the Annual Financial Report preparation and compilation, including certifications and representations made by the institutions.

Mr. Rodney Lenfant, Deloitte & Touche, LLP, will report on the work performed relating to financial statement line items that will be part of the beginning balances reported in the Fiscal Year 2005 financial statements. Additionally, he will report on the firm's plan for conducting the 2005 audit including methodology, staffing, training, and associated timelines.

The detailed Client Service Plan is attached on Pages 30.1 – 30.19. The Engagement Objectives and Audit Approach are set forth in Section II on Pages 30.5 – 30.6. The Audit Scope is set forth in Section III on Page 30.7.

BACKGROUND INFORMATION

In November 2003, the U. T. System Board of Regents approved an initiative to implement the "spirit" of the Sarbanes-Oxley Act as a good faith effort toward manifesting financial accountability and compliance in the public sector. As a result, in June 2004, the Board of Regents sought proposals for a comprehensive annual financial statement audit by an independent certified public accounting firm to obtain assurance that U. T. System has a sound financial base and adequate resources to support the mission of the organization and the scope of its programs and services.

A Request for Qualifications (RFQ) was distributed by U. T. System staff in June 2004. Two proposals were received. After a review of the proposals and firm interviews by Committee Chairman Estrada and U. T. System staff, the Board of Regents authorized U. T. System staff to negotiate and enter into an auditing services contract with Deloitte & Touche, LLP, at the July 16, 2004 Board of Regents' meeting. The contract, which terminates on April 1, 2006, provides U. T. System the option to renew for two additional one-year terms.

2005 Client Service Plan.

The University of Texas System

February 2005



February 2005

Audit, Compliance and Management Review Committee
The University of Texas System

Dear Members of the Audit, Compliance and Management Review Committee:

We are pleased to submit our client service plan setting forth the scope and approach for our audit of the financial statements of the University of Texas System (the "System") for the year ending August 31, 2005. We look forward to discussing our client service plan with you and answering any questions you may have.

We have designed our overall client service plan to meet the requirements of both the Audit, Compliance and Management Review (ACMR) Committee and management. Our client service plan has been designed to address the System as a whole, rather than each institution separately. It will remain flexible to accommodate future changes. We augment our client service team with deep specialist knowledge while attempting to maximize continuity of our most talented professionals to address your service needs.

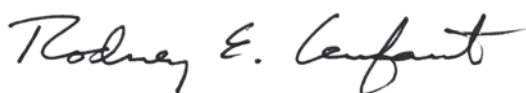
Our client service plan for 2005 focuses on business risks and operating areas that could have an impact on external reporting. Our overall engagement goals are to:

- Perform a high quality audit of the System which meets or exceeds management's and the ACMR Committee's expectations,
- Provide both meaningful internal control and business oriented constructive service suggestions,
- Respond on a timely basis to management's needs and coordinate with management to ensure timely financial reporting,
- Continue to provide open, effective and ongoing communication with management and the ACMR Committee, and
- Work with you as a team to provide the high level of service you expect and deserve.

We feel we have developed a client service plan that is responsive to the System's needs and expectations. The System's vision for the future is challenging and exciting. We look forward to helping the System meet the challenges that lie ahead in an aggressive, energetic and forthright manner.

In addition to our firm's commitment, you have my personal commitment that we will work hard to ensure that our services will meet or exceed your expectations. Please call me at (713) 982-2621 if you have any questions at any time throughout the year regarding this client service plan or any aspect of our service to the University of Texas System.

Sincerely,



Rodney Lenfant
Lead Engagement Partner

2005 Client Service Plan.

The University of Texas System

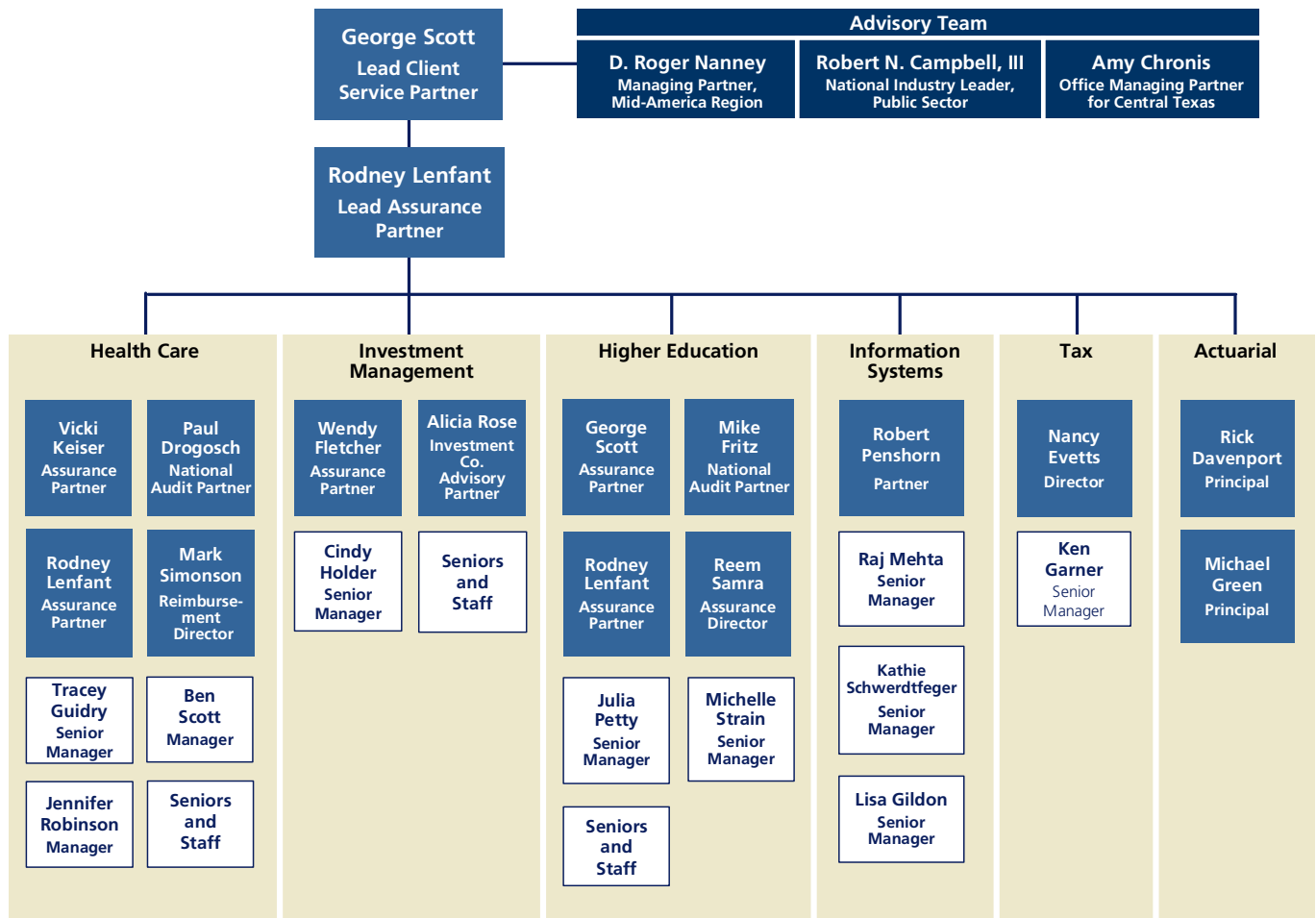
Submitted to ACMR Committee
February 2005



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Client Service Team

The key to delivering an audit that adds value to your organization is ensuring the service team is comprised of experienced professionals who understand The University of Texas System's (the System's) operations and can overlay that with an in-depth knowledge of the public higher education, health care and investment management industry trends. As the organization chart shows, your service team is comprised of team members who have the required experience and stature, which results in the ability to deliver to the System a wealth of insight and the highest quality resources within Deloitte & Touche LLP.



Engagement Objectives and Audit Approach

The Deloitte & Touche Audit is grounded in an assessment of risk, and then tailored based on the risks identified and the effectiveness of internal controls. Our assessment of risk and the reliability of the System's internal controls have a significant bearing on the nature and depth of our audit procedures.

The purpose of our engagement to audit the consolidated financial statements of the System for the year ending August 31, 2005 is to evaluate, in all material respects, the fairness of presentation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) and in conformity with the audit standards set forth in the *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our audit will also comply with generally accepted auditing standards (GAAS), the audit standards issued by the American Institute of Certified Public Accountants (AICPA).

Our audit of the System's consolidated financial statements for the year ending August 31, 2005 will be conducted in accordance with GAS and GAAS. We will plan and perform our audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether caused by error or fraud. However, because of the characteristics of fraud, particularly those involving concealment and falsified documentation (including forgery), a properly planned and performed audit may not detect a material misstatement. Therefore, an audit conducted in accordance with GAS and GAAS is designed to obtain reasonable, rather than absolute, assurance that the consolidated financial statements are free of material misstatement. An audit is not designed to detect error or fraud that is immaterial to the consolidated financial statements.

An audit includes obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify reportable conditions. Our audit scope does not include providing an opinion on internal control.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

The objective of our audit is the expression of an opinion on the fairness of the presentation of System's consolidated financial statements in conformity GAS and GAAS, in all material respects. Our ability to express an opinion, and the wording of our opinion, will of course, be dependent on facts and circumstances at the date of our report. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of this engagement. If we are unable to complete our audit or if our auditors' report requires modification, the reasons therefore will be discuss with System's management and the Audit, Compliance and Management Review (ACMR) Committee.

Communications Resulting from the Audit

We have tailored our audit approach to focus on those attributes and risks that are important to achieving control and reporting objectives. We have the benefit of being objective outsiders in considering the information we gather. The result is that we are able to add the perspective of our experience and expertise to translate our audit findings into recommendations and insights concerning existing or potential problems. We accept the responsibility for keeping management and the ACMR Committee apprised of any significant matters that we believe warrant consideration whenever they come to our attention.

From time to time during the year as we become aware of issues, they will be reported and discussed with the appropriate levels of management at both the individual institutions and System Administration. These issues will be discussed with the respective institutions and System Administration, as well as presented, in writing to those parties, the ACMR Committee and the State Auditor's Office. Internal control matters, material internal control weaknesses and reportable conciliations, if any, will be summarized in a formal letter to the ACMR Committee.

Statement of Auditing Standards No. 61, *Communication with Audit Committees*, issued by the AICPA, requires independent auditors to communicate certain matters to the audit committees. Upon completion of our audit, we will communicate to you any of the following aspects that we consider to be significant:

- Changes in significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments
- Significant uncorrected misstatements
- Significant disclosures not made
- Disagreements with management
- Consultation by management with other auditors on significant matters
- Major issues discussed with management prior to our retention as auditors
- Difficulties encountered in performing the audit
- Management consulting services provided by us
- Irregularities and illegal acts
- Fraud

Communication of Audit Adjustments

As we become aware of material or significant misstatements during our audit procedures, those misstatements will be promptly reported to the individual institution's management and to System Administration's management. All significant audit adjustments and significant uncorrected misstatements, if any, will be communicated in accordance with GAS and GAAS to the ACMR Committee and included as an attachment to the management representation letter.

Audit Scope

The scope of our audit has been designed to provide the coverage required to meet the engagement objectives as previously stated. Consideration will be given to accounting systems and internal controls in existence and the work of the System's and individual institutions' internal audit departments.

We will perform reviews of general computer controls of certain System institutions and will provide feedback to the appropriate levels of management or the ACMR Committee on our findings from this review. We will also perform reviews of various business cycles at all institutions.

At selected institutions, we will perform sufficient auditing procedures, including an evaluation of the internal control structure as well as substantive tests, to provide a reasonable basis to form conclusions about the significant assertions (existence or occurrence, completeness, rights and obligations, valuations or allocations, presentation and disclosure) embodied in the consolidated financial statements. Our Deloitte & Touche team will lead the fieldwork at these institutions; however, the engagement team will also consist of both internal audit and subcontractors at these sites.

Focused audit procedures will be performed for all remaining institutions in what are considered "high risk" areas or where added audit emphasis is considered necessary. For non-risk areas at these institutions, we will perform inquiries, analytic procedures and other limited audit procedures as deemed necessary to satisfy ourselves that such amounts are reasonably stated in relation to the consolidated financial statements taken as a whole. The fieldwork at these institutions will be performed by internal audit; however, a Deloitte & Touche manager and partner will be assigned to oversee all work performed by internal audit at these institutions.

We have not been engaged to audit the stand-alone financial statements of the University of Texas Investment Management Company (UTIMCO) for the year ended August 31, 2005. The assets and revenues of UTIMCO are material to the consolidated financial statements of the System. Because of the materiality of those items, auditing standards will require us to perform procedures at UTIMCO in order to gain sufficient evidence that the amounts are not materially misstated as they relate to the consolidated financial statements of the System, even if we do not serve as UTIMCO's auditors. If we do not perform the audit of the stand-alone financial statements of UTIMCO and another firm is chosen to do so, our procedures will need to be modified to take the procedures performed by the other firm into consideration.

Our audit plan by institution is included as Appendix A to this document.

Management's Responsibility

The consolidated financial statements are the responsibility of the System's management.

In this regard, management has the responsibility for, among other things:

- Establishing and maintaining effective internal control over consolidated financial reporting
- Identifying and ensuring that each institution within the System complies with the laws and regulations applicable to its activities
- Properly recording transactions in the accounting records
- Adjusting the consolidated financial statements to correct material misstatements
- Making appropriate accounting estimates
- Safeguarding assets

Management is responsible for the overall accuracy of each individual institution's financial statements and the overall consolidated financial statements and their conformity with GAS and GAAS, and for making all consolidated financial records and related information available to us.

Additionally, management is responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the consolidated financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the System received in communications from employees, former employees, regulators or others.

Internal Control/ Information Technology

Our audit approach allows us to continually update our understanding of the System's control environment. The control environment comprises the conditions under which the accounting processes and internal controls are designed, implemented and function.

This includes the overall attitude, awareness and actions of management and the Board of Regents, concerning the importance of internal controls. Our assessment of the control environment contributes to our risk identification process and is important in determining the extent to which we can rely on controls when we establish the level of our audit testing.

Our audit methodology integrates the evaluation and testing of information systems into all phases of the audit. Our IT specialists will focus on the System's computerized systems, determining risk and assessing the adequacy of the controls designed to mitigate those risks.

These specialists focus on key concerns related to information management, such as:

- Information resource strategy and planning
- Information system operations
- Relationships with outsourced vendors
- Information security
- Business continuity planning
- Application systems implementation and maintenance
- Database implementation and support
- System software and hardware support
- Network systems support

We anticipate performing detailed internal control and information technology procedures at UT Austin, the Health Science Centers in Houston and San Antonio, UTMB, UT MD Anderson (as a part of the audit of its stand-alone audit) and UT Southwestern. Due to this being an initial audit, we do not currently anticipate adopting a control reliance strategy across the System (i.e., we do not plan on relying on internal controls currently in place to reduce our audit tests). However, we will assess certain internal controls in place and advise the System regarding material weaknesses, reportable conditions or areas for improvement. Our audit scope does not include providing an opinion on internal control.

Coordination with Internal Audit and Subcontractors

Our coordination with internal audit has already begun. One of the first services provided to the System was a week-long training session for internal auditors from each institution, covering our audit approach and our proprietary audit software, AS/2. That session also provided Deloitte & Touche with additional insight into the processes and culture of the System and its institutions.

Internal audit provided a significant number of hours for the beginning balance testing, playing a key role in this testing at every institution. The System Administration internal audit group provided a periodic forum for the internal auditors of the various institutions to communicate status and questions with the Deloitte & Touche management team. Those forums were invaluable in keeping both the internal and external audit groups focused on the goals and deadlines; we anticipate continued use of those forums as the audit progresses.

The System expects to provide approximately 15,000 hours of internal audit time to support the financial statement audit; to date, approximately 6,500 of those hours have been used. We are currently working with the various internal audit groups to determine the most effective and efficient use of the remaining available hours.

Deloitte & Touche is also utilizing the services of the following historically underutilized business (HUB) subcontractors: McConnell & Jones; Mir, Fox & Rodriguez; Fernandez & Company; and Wiener Strickler. Based in Houston, Fort Worth, and El Paso, these firms represent the diversity of the state of Texas. We have worked with each of these HUB firms during previous projects. Their work is exemplary, and their staff is familiar with our audit approach. Our combined team is poised to serve the System seamlessly.

Certain of these subcontractors were involved with the beginning balance procedures. Our audit plan for the remaining audit work includes using subcontractors at UT-Austin, the Health Science Centers in Houston and San Antonio, UTMB, UT MD Anderson and UT-Southwestern. The subcontractor personnel will work as staff external auditors at those institutions, performing tests of cash, capital assets, accounts payable and other account balances. As prime contractor, Deloitte & Touche will remain ultimately responsible for the outcome and success of the project.

The integration of auditors from Deloitte & Touche, the System's internal audit groups, and our HUB partners will be key to the success of the audit of the System's 2005 financial statements. Our audit plan includes specific assignments for each group, constant coordination among the individuals assigned, and communication across all levels to ensure that resources are used effectively and that audit areas are appropriately addressed.

Preliminary Audit Risk Assessments

Our audit planning process includes a preliminary assessment of audit risk – which is the risk that an error has occurred in the financial statements. Our risk assessment classifies risk as either high or normal. Our risk assessment is relative within the System; therefore, it is not intended, even in a perfect control environment, that all audit risks should be considered “normal.” We make risk designations solely for the purpose of allocating audit resources. An area may be designated as high risk because of its inherent nature (complex, nonroutine, necessity for estimations and judgments, etc.). Such designation does not imply inadequate financial control. Through both our preliminary planning and our audit procedures on beginning balances, we have identified the following as potential risk areas:

Preliminary Audit Risk Assessment – Academic Institutions and System Administration

Audit Area	Response
<p>Student Accounts Receivable</p> <p>The management, accounting and reporting of accounts receivable are of major importance to the System. Management of accounts receivable involves the rendering and collection of student and grantor bills in a timely, efficient and accurate manner to expedite cash flow and minimize bad debt write-offs. Accounting and reporting of accounts receivable center around cut-off, valuation and realization.</p>	<ul style="list-style-type: none"> • Review receivables performance on an annual basis. • Evaluate and test key elements of the accounting process. • Review the adequacy of the System’s methodologies and procedures used to establish the cut-off of student accounts receivable and the allowance for doubtful accounts estimate. • Understand and document the control environment and processes for student accounts receivable collection, billing and write-offs. • Conclude as to the adequacy of doubtful accounts allowances through the review of collection and aging statistics.
<p>Contributions, Grants and Contracts</p> <p>The System receives contributions from a diverse number of sources. Accounting and reporting of contributions, grants and contracts center around cut-off, valuation and realization.</p>	<ul style="list-style-type: none"> • We will gain an in-depth understanding of the System’s process for recording contributions, grants and contracts, and related deferred revenues and receivables. • Assess the adequacy of the documentation used to determine donor restrictions. • Review pledges receivable for collectibility and evaluate the appropriateness for the discount factor utilized for extended pledges. • Determine that grant requirements have been met for earning revenues.
<p>Derivative Financial Instruments</p> <p>The System utilizes a broad array of investment vehicles, some of which are considered to be derivative financial instruments.</p>	<ul style="list-style-type: none"> • Understand the use of derivative financial instruments and management’s assessment of exposure to credit risk. • Evaluate the effectiveness of control procedures for identifying, valuing, recording and reporting derivative financial instruments

Audit Area	Response
<p>Reserves for Self-Insured Risks</p> <p>The System estimates a range of loss for its professional, property and casualty, employee health and general liability claims based on its past experience, as well as its current operating environment. These estimates include reserves from known claims and unreported incidents. The vagaries of the estimation process and the magnitude of exposure require careful examination.</p>	<ul style="list-style-type: none"> • Review the effectiveness of the risk management system. • Evaluate and test key elements in the incident reporting systems based on claims being evaluated or litigated. • Utilize firm actuarial specialists to review actuarial methodologies used to calculate incurred but not reported liability exposures. • Correspond with internal and external legal counsel regarding sufficiency of reserves set on known incidents.
<p>Information Technology</p> <p>The System relies on computer-generated information to a large extent. This information is typically used by management to make critical management and operating decisions. Therefore, regardless of the level of our substantive tests, we will need assurance about the reliability of the systems that produce this information.</p>	<ul style="list-style-type: none"> • Assign Deloitte & Touche Enterprise Risk Services (ERS) specialists to oversee and lend support to the review and evolution of computer-related controls. The review and evaluation process by such specialists will address: <ul style="list-style-type: none"> – Information security – System acquisition, development and maintenance – Computer operations Information systems support • ERS will also perform tests of selected business cycles.
<p>Treasury</p> <p>The System utilizes a broad array of investment vehicles for funds not currently required for operations or capital expenditures.</p>	<ul style="list-style-type: none"> • Include professionals with appropriate expertise and experience (such as managers and partners from our Financial Instruments Specialist group) to review methodologies, policies and procedures.
<p>Statement on Audit Standards No. 99</p>	<ul style="list-style-type: none"> • Hold an engagement team discussion of key risk factors. • Inquire of management as to the risk of fraud. • Document our understanding of related parties and test selected related party procedures and transactions. • Test journal entries and financial estimates, with a focus on unusual entries and management judgment. • Evaluate the appropriateness and consistency of the assumptions and methodologies used to develop significant estimates. Recalculate critical formulas where appropriate. Evaluate reasonableness of related disclosures. • Understand and evaluate conflict of interest policies followed by the System.

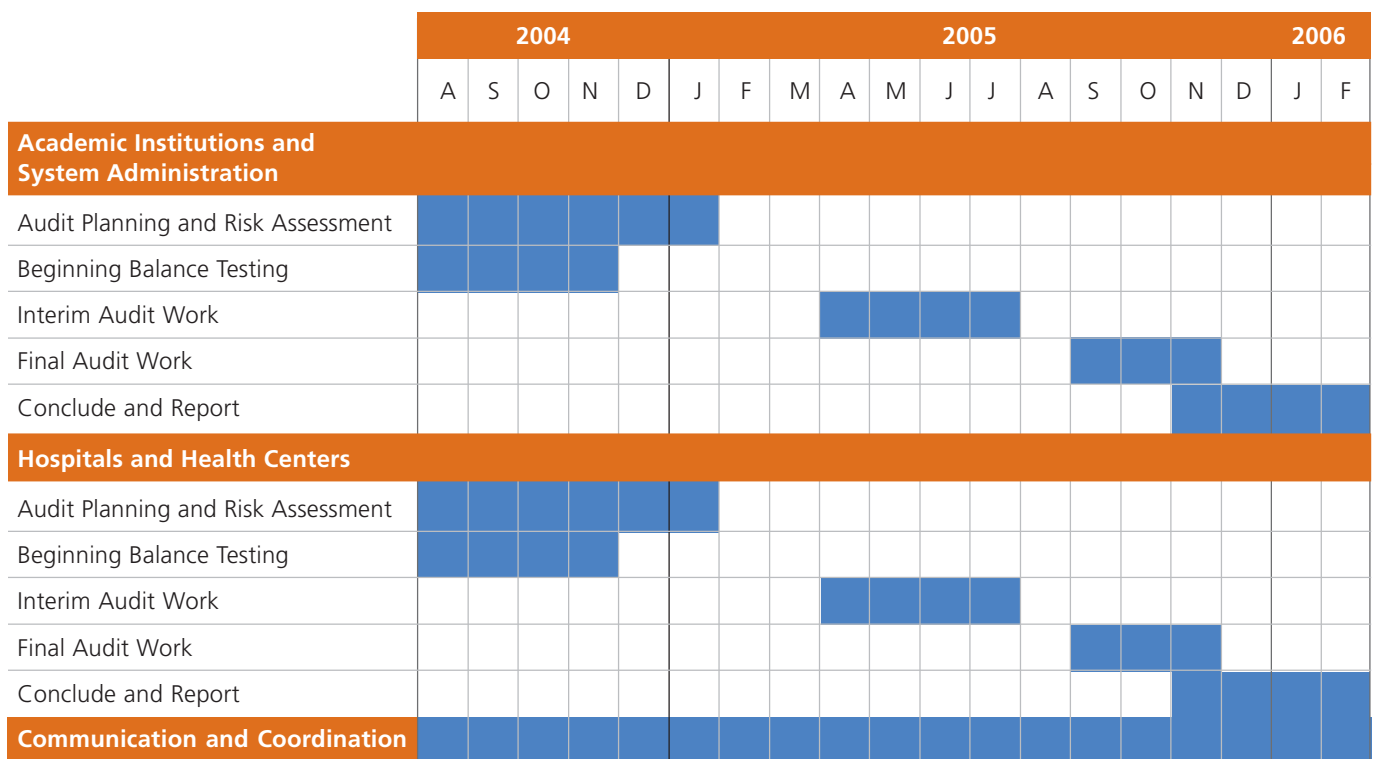
Preliminary Audit Risk Assessment – Hospitals and Health Centers

Audit Area	Response
<p>Patient and Physician Accounts Receivable</p> <p>The management, accounting and reporting of patient accounts receivable are of major importance. Management of patient accounts receivable involves the rendering and collection of patient bills in a timely, efficient and accurate manner to expedite cash flow and minimize bad-debt write-offs. Accounting and reporting patient accounts receivable centers around validation and realization. Timing and cut-off of physician receivables is another area of focus for these institutions.</p>	<ul style="list-style-type: none"> • Review patient receivables performance on an annual basis. • Evaluate and test key elements of patient accounting process. • Review the adequacy of methodologies and procedures used to establish the allowance for doubtful accounts estimate and contractual allowances. • Recompute contractual adjustments for each significant class of revenue/receivable for reasonableness. • Determine, when considered appropriate, whether consistent procedures and methodologies are used by the various institutions. • Conclude as to the adequacy of doubtful accounts allowances through the review of collection and aging statistics.
<p>Estimated Third-Party Settlements</p> <p>Proper and consistent accounting for third-party receivables and settlement accounts is critical to a hospital's financial position. The quality and nature of the underlying financial information and systems affect the reasonableness of these amounts. Complex third-party payment arrangements and methodologies and changes in patient mix, service level and cost structure require extensive analysis of third-party settlement accounts.</p>	<ul style="list-style-type: none"> • Utilize reimbursement specialists for detailed review. • Review impact of tentative and final settlements received. • Update settlement position for prior years, based on third-party clearings (charges, discharges, days, etc.). • Review allocated and unallocated reserves for adequacy against potential exposures.
<p>Reserve for Self-Insurance</p> <p>These areas represent audit risk as the determination of such liabilities is difficult and requires accurate reporting and recording of claims data, and the application of management judgments as to the financial impact of changing trends, conditions, practice patterns, settlement/payment patterns, and changes in the business environment. These estimates include reserves for known claims and unreported incidents. The estimation process and the magnitude of exposure require careful examination.</p>	<ul style="list-style-type: none"> • Review the effectiveness of the risk management system. • Evaluate and test key elements in the incident reporting systems based on claims being evaluated or litigated. • Utilize firm actuarial specialists to review actuarial methodologies and assumptions used to calculate incurred but not reporting liability exposures. • Correspond with internal and external counsel regarding sufficiency of reserves set on known incidents.
<p>Compliance with Billing Regulations</p> <p>The federal government is becoming increasingly active and aggressive in pursuing what it perceives to be fraudulent billing practices. The System has developed its compliance program and is aware of the issues currently being pursued by the government in other areas of the country.</p>	<ul style="list-style-type: none"> • Discuss controls and procedures with appropriate personnel. • Review institution responses to Deloitte & Touche compliance questionnaire with compliance officers

Audit Timeline

The following schedule illustrates our proposed timetable for services on a system-wide level. More precise timing will be discussed with management at each institution and is, of course, flexible.

Timing of our services will be adjusted throughout the course of our audit, as necessary, to facilitate an orderly close and to accommodate the timetable agreed to with management. Our final audit work procedures are scheduled to allow us the opportunity to identify all material adjustments by November 1, 2005. Our ability to meet that deadline assumes timely completion of the trial balances and supporting schedules by institution management.



Progress to Date

Our first services to the System were provided in the form of a week-long training session for selected internal auditors representing all institutions in the System. The training included hands-on simulations using Deloitte & Touche's proprietary audit software, AS/2.

Your internal audit personnel have access to AS/2 for use in support of the audit. The training also included details on the Deloitte & Touche audit approach, as well as specific training for the information technology specialists. We found that the training assisted the Deloitte & Touche team in learning about the individual institutions and the processes for working with them.

Because the System has not previously been subjected to a stand-alone audit, auditing standards require that we perform procedures on the beginning balances in order to determine that they are appropriate. We have completed the majority of the fieldwork for the beginning balance testing procedures. As a result of those procedures, the following items have been identified that may result in adjustments: depreciation of library books; recognition of tuition revenue for class days in August; accrual of contract salary expense for days worked in August; accurate cut-off of accruals for expenses and capital assets at year end; and recognition of revenues related to physician receivables. Additionally, we have identified areas of improvement to be addressed by management, the most important of which relates to the timeliness and effectiveness of account reconciliations and the financial close and reporting process.

Although outside the normal course of an audit, we proposed to the System a review of the closing processes at the institutions in order to provide feedback on efficiencies and areas for improvement. That review process is currently ongoing. We expect to provide feedback specific to the larger institutions within the next month.

Our contract with the System requires that we communicate with the Texas State Auditor's Office (SAO) regarding various meetings to be held in connection with the audit. Deloitte & Touche management and representatives from the Board of Regents, System Administration controller's office and internal audit met with representatives from the SAO in December to determine the frequency and purpose of the communications required by the contract. That meeting resulted in an agreement that Deloitte & Touche would provide notification to the SAO regarding formal entrance and exit conferences and meetings with the ACMR committee of the Board of Regents. Additionally, Deloitte & Touche will alert the SAO regarding significant issues discovered in the audit process on a periodic (i.e., monthly, bi-monthly or as needed basis) in order to allow the SAO the opportunity to participate in meetings regarding those issues.

Our next steps are to finalize our audit plan and communicate that plan to our liaisons at each institution. We will work with them to identify mutually acceptable specific dates for interim and final fieldwork, and discuss any issues identified during our work. As issues arise, we will continue to keep the ACMR committee apprised.

Recent Developments

The Governmental Accounting Standards Board (GASB) promulgates accounting and financial reporting rules for governmental organizations, including colleges and universities. The GASB has issued the following standards:

Statement No. 40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3

This Statement establishes and modifies disclosure requirements related to investment risks: credit risk (including custodial credit concentrations of credit risk), interest rate risk, and foreign currency risk. The national rating agencies' ratings of the securities held will be an additional required disclosure. This Statement also establishes and modifies disclosure requirements for deposit risks, including custodial credit risk and foreign currency risk. Though no accounting changes will be required for implementation of this standard, governments will be required to expend considerable effort to ensure that all information now required to be included in the notes to the financial statements is available. The provisions of this Statement are effective for financial statements for the fiscal year ending August 31, 2005.

Statement No. 42, Accounting and Financial Reporting of Capital Assets and for Insurance Recoveries

This statement requires governments to report the effects of capital assets impairment in their financial statements when they occur rather than as a part of ongoing depreciation expense. A capital asset is considered impaired if a significant, unexpected decline in the service utility of an asset is evident and the event is outside the normal life cycle of the asset. Utility is defined as the asset's capacity to provide service. Indicators of impairment include: physical damage or obsolescence, change in legal/environmental factors, technological development, change in manner or duration of use, or change in demand for use. The guidance also enhances comparability of financial statements by requiring all governments to account for insurance recoveries in the same manner. This statement will become effective for the System in the fiscal year ending August 31, 2006.

Statement No. 44, Economic Condition Reporting: The Statistical Section – an Amendment of NCGA Statement 1

This Statement establishes and modifies requirements related to the supplementary information presented in a statistical section. A statistical section includes information in the following categories: Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic, and Operations. This statement will become effective for the System in fiscal year ending August 31, 2006, if the System incorporates a statistical section into its annual financial report.

Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*

This Statement establishes standards of accounting and financial reporting for postemployment health care and other benefits (OPEB) if provided separately from a pension plan. It requires systematic, accrual-basis measurement and recognition of OPEB cost over a period that approximates employees' years of service. It also requires employers to provide information about actuarial accrued liabilities associated with OPEB's and to what extent progress is being made in funding the plan. The standard anticipates that an actuarial valuation would be required at least once every two years in order to properly record the liability. Significant disclosures regarding the assumptions used in calculating the liability are also required. This statement will become effective for the System in fiscal year ending August 31, 2008.

Statement No. 46, *Net Assets Restricted by Enabling Legislation*

The purpose of Statement 46 is to help governments determine when net assets have been restricted to a particular use by the passage of enabling legislation and to specify how those net assets should be reported in financial statements when there are changes in the circumstances surrounding such legislation. This standard is intended to alleviate difficulties in identifying enabling legislation restrictions by clarifying that "legally enforceable" means that an external party—such as citizens, public interest groups, or the judiciary—can compel a government to use resources only for the purposes stipulated by the enabling legislation. Statement 46 is effective for periods beginning after June 15, 2005.

The GASB has also issued an exposure draft of a proposed standard, *Accounting for Termination Benefits*. The proposed standard would require more timely recognition of the expense related to benefits provided to terminated employees outside of a post-employment benefit plan. The comment period on this proposed standard is open until March 2005.

Audit Plan by Institution

The University of Texas System Component	Partner(s)	Manager(s)	Subcontractor	Internal Audit	Assess Controls	IT Work
UT Administration	Lenfant, G Scott	Petty, Strain	Wiener Strickler	Financial	Yes	Yes
UT Arlington	Samra	Petty		Financial	No	(2)
UT Austin	Lenfant, G Scott	Petty, Strain	Wiener Strickler	IT & Financial	Yes	Yes
UT Brownsville	Samra	Strain		Financial	No	(2)
UT Dallas	Samra	Petty		Financial	No	No ⁽¹⁾
UT El Paso	Samra	Petty		Financial	No	(2)
UT Pan American	Samra	Strain		Financial	No	No ⁽¹⁾
UT Permian Basin	Samra	Strain		Financial	No	(2)
UT San Antonio	Samra	Strain		Financial	No	(2)
UT Tyler	Samra	Strain		Financial	No	(2)
UT Southwestern Medical Dallas	Keiser	T. Guidry	Fernandez & Company	IT & Financial	Yes	Yes
UT Medical Branch Galveston	Keiser	B Scott	McConnell & Jones	IT & Financial	Yes	Yes
UT Health Science Center Houston	Lenfant	Robinson	Mir, Fox & Rodriguez	IT & Financial	Yes	Yes
UT Health Science Center San Antonio	Lenfant	Robinson	McConnell & Jones	IT & Financial	Yes	Yes
UT M.D. Anderson Cancer Center	Lenfant	B Scott	Mir, Fox & Rodriguez	IT & Financial	Yes	Yes
UT Health Center at Tyler	Samra	B Scott		Financial	No	No ⁽¹⁾

⁽¹⁾This institution does not use the DEFINE system.

⁽²⁾This institution uses the DEFINE system. Testing on the DEFINE system will be done at UT-Austin.

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3. **U. T. System: Report on the 2004 State Auditor's Office financial statement audits of U. T. System institutions**

REPORT

The State Auditor's Office is conducting a statewide financial audit on the state's Comprehensive Annual Financial Report (CAFR) for the year ended August 31, 2004. The office is required to express an opinion on major funds in addition to the overall opinion on the state's CAFR. One of those major funds is an enterprise fund that reflects the operations and balances of all Texas public universities.

Mr. Kelton Green, Managing Senior Auditor, State Auditor's Office, will provide an update on the statewide financial audit conducted for the year ended August 31, 2004. The update will highlight and discuss any issues noted at the U. T. System institutions that were part of that audit.

The State Auditor selected the following institutions for work to be performed in this financial audit:

- The University of Texas System Administration
- The University of Texas at Arlington
- The University of Texas at Austin
- The University of Texas M. D. Anderson Cancer Center
- The University of Texas Southwestern Medical Center at Dallas
- The University of Texas Medical Branch at Galveston

4. **U. T. System: Report on System-wide Internal Audit Activity (Red, Yellow, Green Report)**

REPORT

Mr. Charles Chaffin, Chief Audit Executive and System-wide Compliance Officer, will report on System-wide audit activity (Red, Yellow, Green Report), including progress toward audit plan completion, for the first quarter of Fiscal Year 2005.

The first quarter activity report on the Status of Outstanding Significant Recommendations is set forth on Pages 32.1 - 32.4. Additionally, a list of other audit reports issued by the System-wide audit program and the State Auditor's Office follows on Page 33.

There are two types of audit findings/recommendations: reportable and significant. A "reportable" audit finding/recommendation should be included in an audit report if it is material to the operation, financial reporting, or legal compliance of the audited activity, and the corrective action has not been fully implemented. "Significant" audit findings/recommendations are reportable audit findings/recommendations that are deemed significant at the institutional level by each U. T. institutional internal audit committee or designee.

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

THE UNIVERSITY OF TEXAS SYSTEM
Status of Outstanding Significant Recommendations

Report Date	Institution	Audit	4th Quarter		1st Quarter		Targeted Implementation Date	Overall Progress Towards Completion (Note 1)	Ranking Significance
			Ranking	# of Significant Findings	Ranking	# of Significant Findings			Material to Institution's Fin. Stmts. ("F"), Compliance ("C"), and/or Operations ("O")
1998-07	UTHSC-H	Federal Contracts & Grants Review		1		1	3/31/2005	Satisfactory	C
2000-04	UTHSC-H	Medical Service Research & Development Plan Summary of Operations Review		1		1	1/31/2005	Satisfactory	C
2001-04	UTPA	Internet Security		1		0	12/31/2004	Completed	O
2001-08	UTMDACC	Lotus Notes Environment		2		2	4/1/2005	Satisfactory	O
2001-10	UTMDACC	Disaster Recovery/Business Continuity Planning		1		1	7/31/2005	Satisfactory	O
2001-11	UTT	Information Technology General Security Review		1		1	3/1/2005	Satisfactory	O
2002-04	UTB	General Controls Audit of Information Technology		1		1	2/28/2005	Satisfactory	O
2002-05	UTA	Network Support Audit		1		1	4/30/2005	Satisfactory	O
2002-05	UTSYS ADM	Office of Information Resources Follow-up		1		1	1/31/2005	Satisfactory	O
2002-07	UTHSC-H	Healthcare Billing Compliance Review		1		1	2/15/2005	Satisfactory	F, C
2002-08	UTHSC-SA	Institutional Compliance Program		2		2	2/28/2005	Satisfactory	C
2002-08	UTSYS ADM	Travel and Entertainment Expenditures		1		1	2/28/2005	Satisfactory	O, C
2002-10	UTSYS ADM	UTHC-Tyler Clinical Trials		1		1	2/1/2005	Satisfactory	O, F
2002-11	UTMDACC	Temporary Personnel		1		1	2/28/2005	Satisfactory	O
2003-03	UTPA	General Controls		5		3	2/28/2005	Satisfactory	O
2003-05	UTMB Galveston	Delivery of Operating Room Services		2		2	2/28/2005	Satisfactory	O
2003-06	UT Austin	University Data Center		1		1	12/31/2004	Satisfactory	O
2003-06	UTA	Internal Audit Office Peer Review		1		1	1/31/2005	Satisfactory	C,O
2003-06	UTD	General Controls		1		1	1/31/2005	Satisfactory	C,O
2003-07	UTMDACC	Payroll Operations		1		0	6/1/2004	Completed	O
2003-08	UTMB Galveston	Pharmacy Costs of Goods Sold Review		1		1	12/31/2004	Satisfactory	O, F
2003-08	UTMB Galveston	School of Medicine Office of Student Affairs		1		1	12/31/2004	Satisfactory	C, O
2003-08	UTPA	Center for International Programs		1		0	9/30/2004	Completed	F, C
2003-09	UTB	Lab Safety		2		0	9/30/2004	Completed	O
2003-09	UTHC-T	Medical Services, Research and Development Plan AFR		1		1	12/31/2004	Satisfactory	O, F

32.1

THE UNIVERSITY OF TEXAS SYSTEM
Status of Outstanding Significant Recommendations

Report Date	Institution	Audit	4th Quarter		1st Quarter		Targeted Implementation Date	Overall Progress Towards Completion (Note 1)	Ranking Significance
			Ranking	# of Significant Findings	Ranking	# of Significant Findings			Material to Institution's Fin. Stmts. ("F"), Compliance ("C"), and/or Operations ("O")
2003-09	UTHSC-H	Quality Assessment of The Office of Auditing and Advisory Services		8		4	2/23/2005	Satisfactory	C, O
2003-09	UTSYS ADM	System Available Balances		1		1	2/28/2005	Satisfactory	F
2003-11	UT Austin	Harry Ransom Humanities Research Center		1		0	9/30/2004	Completed	F
2003-11	UTMDACC	Pharmacy Charge Capture		1		1	5/1/2005	Satisfactory	O
2003-11	UTSA	Research Development		1		1	2/28/2005	Satisfactory	O
2003-12	UTD	Lab and Biological Safety		1		1	3/31/2005	Satisfactory	C, O
2003-12	UTPB	AFR FYE 8/31/03		1		0	9/30/2004	Completed	F
2004-01	UTEP	Information Technology - General Controls Review		2		1	3/1/2005	Satisfactory	O
2004-01	UTMDACC	PeopleSoft Payroll		1		1	8/31/2005	Satisfactory	O
2004-01	UTMDACC	2003 Mainframe Disaster Recovery Test		1		1	12/31/2004	Satisfactory	O
2004-01	UTSA	Lab Safety		2		1	1/1/2005	Satisfactory	C, O
2004-02	UT Austin	Compliance Inspection: Account Reconciliation and Segregation of Duties		3		1	2/28/2005	Satisfactory	C
2004-02	UTHC-T	Inventories Audit FY 2003		1		1	1/31/2005	Satisfactory	F, O
2004-02	UTHSC-SA	MSRDP Front-End Billing		3		3	8/31/2005	Satisfactory	O
2004-02	UTMB Galveston	Compliance Inspection: Account Reconciliation and Segregation of Duties		2		2	3/31/2005	Satisfactory	F, O
2004-02	UTMDACC	Compliance Inspection: Account Reconciliation and Segregation of Duties		1		0	9/1/2004	Completed	F, C
2004-03	UT Austin	Information Security Management		2		2	8/31/2005	Satisfactory	C, O
2004-03	UTB	Contracts and Grants		1		1	2/28/2005	Satisfactory	C, O
2004-03	UTPA	Accounts Receivable and Allowance for Bad Debts		2		2	2/28/2005	Satisfactory	C
2004-03	UTSA	Information Technology Organization and Planning Controls		2		2	4/30/2005	Satisfactory	F, O
2004-04	UTHC-T	Capital Assets FYE 8/31/03		2		2	8/31/2005	Unsatisfactory (1) Satisfactory (1)	C, O
2004-04	UTHC-T	Discretionary Funds		2		2	8/31/2005	Satisfactory	F, O
2004-05	UTA	Office of Research - Grants/Contracts		1		1	12/31/2004	Satisfactory	C
2004-05	UTD	Time and Effort Reporting		1		0	12/31/2004	Completed	C

32.2

THE UNIVERSITY OF TEXAS SYSTEM
Status of Outstanding Significant Recommendations

Report Date	Institution	Audit	4th Quarter		1st Quarter		Targeted Implementation Date	Overall Progress Towards Completion (Note 1)	Ranking Significance
			Ranking	# of Significant Findings	Ranking	# of Significant Findings			Material to Institution's Fin. Stmt's. ("F"), Compliance ("C"), and/or Operations ("O")
2004-06	UTB	Financial and Applications Controls Audit of the Financial Aid Office		1		1	5/31/2005	Satisfactory	C, O
2004-06	UTHSC-SA	Cash and Investments				1	1/31/2005	Satisfactory	O
2004-06	UTHC-T	Surgical Services		3		1	12/31/2004	Satisfactory	F, C, O
2004-07	UTEP	Facility Services		1		1	3/31/2005	Satisfactory	O
2004-07	UT Southwestern	Construction Management		1		0	11/4/2004	Completed	C, O
2004-07	UTMB Galveston	Basic and Clinical Research Management (BACRM) & Contracts and Grants (C & G)		8		6	8/31/2005	Unsatisfactory (1) Satisfactory (5)	F, C, O
2004-08	UT Austin	Texas Box Office/Paciolan Ticketing System				1	12/31/2004	Satisfactory	O
2004-08	UTD	Equal Employment Opportunity				0	3/1/2005	Completed	C
2004-09	UTPB	Lab Safety				5	8/31/2005	-	C
2004-09	UTSA	Research Compliance - Time and Effort Reporting				1	8/31/2005	Satisfactory	C
2004-09	UTSA	Year End Financial Review for FY 2003				3	5/31/2005	Satisfactory	F
2004-09	UTMB Galveston	Agreed Upon Procedures on Financial Statement Fund Balance				4	2/28/2005	-	F, O
2004-09	UTMB Galveston	Endowment Compliance Program of the Office of University Advancement ("OUA")				3	4/30/2005	Satisfactory	C, O
2004-09	UTHC-T	Cash and Cash Equivalents				1	2/28/2005	-	C, O
2004-09	UTHC-T	Other Receivables				1	2/28/2005	Satisfactory	C, O
2004-10	UTB	Physical Plant				3	4/30/2005	Satisfactory	C, O
2004-10	UTSA	Physical Security Initiative				0	11/30/2004	Completed	O
Totals				90		89			

32.3

THE UNIVERSITY OF TEXAS SYSTEM
Status of Outstanding Significant Recommendations

Report Date	Institution	Audit	4th Quarter		1st Quarter		Targeted Implementation Date	Overall Progress Towards Completion (Note 1)	Ranking Significance
			Ranking	# of Significant Findings	Ranking	# of Significant Findings			Material to Institution's Fin. Stmt. ("F"), Compliance ("C"), and/or Operations ("O")
STATE AUDITOR'S OFFICE AUDITS									
2002-05	UTMDACC	Statewide Single Audit report for Year Ended August 31, 2001		1		1	12/31/2004	Satisfactory	n/a
2002-09	UTB	A Financial Review		1		1	2/28/2005	Satisfactory	n/a
2002-11	UTMB	Security Over Electronic Protected Health Information at Selected Texas Academic Medical Institutions		1		1	4/20/2005	Satisfactory	n/a
2002-11	UTMDACC	Security Over Electronic Protected Health Information at Selected Texas Academic Medical Institutions		3		3	8/31/2005	Satisfactory	n/a
2003-02	UT Austin	Statewide Audit FYE 8/31/02		1		0	8/31/2005	Completed	n/a
2004-02	UTSA	Financial Review		3		3	5/30/2005	Satisfactory	n/a
2004-06	UT Austin	Protection of Research Data at Higher Education Institutions		3		3	12/31/2005	Satisfactory	n/a
2004-06	UT Southwestern	Protection of Research Data at Higher Education Institutions		3		3	12/31/2005	Satisfactory	n/a
2004-06	UTHSC-SA	Protection of Research Data at Higher Education Institutions		3		3	4/30/2005	Satisfactory	n/a
2004-06	UTSYS ADM	Protection of Research Data at Higher Education Institutions		3		3	4/30/2005	Satisfactory	n/a
2004-10	UTHSC-H	Cash Controls				9	2/1/2005	Satisfactory	n/a
Totals				22		30			

32.4

n/a - State Auditor's Office recommendations are significant by definition.

Color Legend:

- Any audit with institutionally significant findings. Not necessarily a failure - just an area that needs high level attention. Corrective action will be taken subsequent to the quarter in which the finding was reported.
- Significant progress has been made during the quarter the significant finding was reported.
- A red audit becomes a yellow when significant progress has been made.
- All issues were appropriately resolved during the quarter the significant finding was reported.
- All issues have been appropriately resolved.

Note:

- Completed** - The institutional Internal Audit Director deems the significant issues have been appropriately addressed and resolved.
- Satisfactory** - The institutional Internal Audit Director believes that the significant issues are in the process of being addressed in a timely and appropriate fashion.
- Unsatisfactory** - The institutional Internal Audit Director does not feel that the significant issues are being addressed in a timely and appropriate fashion.

* OTHER U. T. SYSTEM AUDITS COMPLETED - 9/2004 through 11/2004

Month Received by System	Institution	Audit
2004-09	UT El Paso	Endowments
2004-09	UT El Paso	Environmental Health and Lab Safety
2004-09	UT El Paso	Follow-up: Scholarships
2004-09	UT El Paso	Office of International Programs
2004-09	UTMB - Galveston	Department of Neurology Change of Management Review
2004-09	UTHSC San Antonio	Cash and Investments
2004-09	UTHSC San Antonio	Endowments
2004-09	UTHSC San Antonio	Follow-up: Willed Body Program
2004-09	UTHSC San Antonio	School of Nursing Internal Control Review
2004-09	UTHC Tyler	Health Information Management Departmental Audit
2004-09	UT System Admin	UT Dallas Management Review
2004-09	UT System Admin	WTO - Geology Foundation Jackson Estate Trust Minerals
2004-09	UT System Admin	WTO - Apache
2004-10	UT Dallas	Financial Aid
2004-10	UT Dallas	Health Information Portability and Accountability Act ("HIPAA")
2004-10	UT Dallas	Joint Admission Medical Program ("JAMP")
2004-10	UT Dallas	Texas Administrative Code ("TAC") 202 (Information Security Compliance)
2004-10	UT El Paso	Information Security Office
2004-10	UT Pan American	Compliance Inspection - Grants & Contracts
2004-10	UT Pan American	Dean's Office - College of Health Science and Human Services
2004-10	UT Pan American	Joint Admission Medical Program ("JAMP")
2004-10	UT Permian Basin	Texas Administrative Code ("TAC") 202 (Information Security Compliance)
2004-10	UT Tyler	Office of the Provost and the Vice President for Academic Affairs
2004-10	UT Southwestern	Clinical Practice Plan Charge Edits Monitoring
2004-10	UTMB - Galveston	Physical Security Initiative
2004-10	UTHSC Houston	Endowments
2004-10	MDACC	Endowments
2004-10	MDACC	Health Information Portability and Accountability Act ("HIPAA")
2004-10	MDACC	Indigent Patient Charge Capture
2004-10	MDACC	Institutional Review Board - Human Subjects
2004-10	MDACC	Internal Controls
2004-10	UTHC Tyler	Accounts Payable
2004-10	UTHC Tyler	Endowments
2004-10	UTHC Tyler	Health Information Portability and Accountability Act ("HIPAA")
2004-10	UTHC Tyler	Patient Accounts Receivable and Allowance for Doubtful Accounts
2004-10	UT System Admin	EVC for Business Affairs Change in Management
2004-10	UT System Admin	UTPA NCAA Agreed-Upon Procedures FYE 8/31/03
2004-11	UT Arlington	Biology Department Review
2004-11	UT Arlington	Honors College Departmental Review
2004-11	UT Arlington	School of Architecture Departmental Review
2004-11	UT Austin	Executive Education and Ford Career Center McCombs School of Business
2004-11	UT Austin	Retail Cash - Project Summary
2004-11	UT Austin	Retail Cash - University Duplicating Services
2004-11	UT Brownsville	IT Vulnerability Follow-Up
2004-11	UT Brownsville	Joint Admission Medical Program ("JAMP")
2004-11	UT Brownsville	Compliance Program for Misconduct in Science and Research
2004-11	UT Brownsville	Office of the President M & O Expenditures
2004-11	UT Brownsville	Physical Plant
2004-11	UT Brownsville	School of Education Change in Management Audit
2004-11	UT Dallas	Server Management Compliance
2004-11	UT Dallas	University Events and Travels - Student Affairs
2004-11	UT Permian Basin	Auxiliary and Service Contracts
2004-11	UT Permian Basin	Joint Admission Medical Program ("JAMP")
2004-11	UT San Antonio	Change in Management Departmental Reviews
2004-11	UT San Antonio	Scholarship Management
2004-11	UT Southwestern	Clinical Data Repository
2004-11	UT Southwestern	Performance Measures
2004-11	UT Southwestern	Web Access Vulnerability Testing
2004-11	UTHSC San Antonio	Library - Internal Controls Review
2004-11	UTHSC San Antonio	Procurement
2004-11	UTHSC San Antonio	IT Vulnerability Follow-Up
2004-11	UT System Admin	Security Controls for the STARS Risk Management System
2004-11	UT System Admin	UTEP NCAA Agreed-Upon Procedures FYE 8/31/03

* STATE AUDITOR'S OFFICE AUDITS COMPLETED - 9/2004 through 11/2004

Report Issuance Date	Institution	Audit
2004-10	UTHSC Houston	Cash Controls