National Automated Clearing House Association Rules

eChecks

August 2020

August 21, 2020

Interim President Jay C. Hartzell
The University of Texas at Austin
Office of the President
P.O. Box T
Austin, Texas 78713

Dear Interim President Hartzell,

We have completed our audit to determine whether The University of Texas at Austin's (UT Austin) eCheck payment option complies with the *National Automated Clearing House Association (Nacha) 2019 Operating Rules for Internet Initiated/Mobile Entries*.

The eCheck payment option complies with the *Nacha Rules, eCheck* access is controlled, and appropriate processes are in place and supported by UT Austin Enterprise Business Information Technology Solutions (eBITS).

We appreciate the cooperation and assistance of the eBITS team throughout the audit. Please let me know if you have questions or comments regarding this audit.

Sincerely,

Sandy Jansen, CIA, CCSA, CRMA
Chief Audit Executive

cc: Mr. Mark Barber, Assistant Director, eBITS
       Mr. Darrell Bazzell, Senior Vice President and Chief Financial Officer
       Mr. Cameron Beasley, Chief Information Security Officer
       Ms. Dana Chapman, Associate Vice President, EBITS
       Mr. Carlos Martinez, Chief of Staff, Office of the President
       Mr. Juan Ortiz, Director, eBITS
       Ms. Lori Peterson, Interim Assistant VP for Accounting and Financial Management
       Ms. Amy Reyna, Assistant to Senior Vice President and Chief Financial Office
       Ms. Tara Trower, Chief of Staff, Financial and Administrative Services
       Mr. John Walker, Director of Treasury, Admin. Support, and Risk Management

National Automated Clearing House Association (Nacha) Rules
eChecks
Project Number: 19.307

Audit Objective

The objective of this audit was to determine compliance with the *National Automated Clearing House Association (Nacha)* [1] *2019 Operating Rules for Internet Initiated/Mobile Entries.*

Conclusion

The University of Texas at Austin's (UT Austin) eCheck payment option complies with the *Nacha Rules, eCheck* access is controlled, and appropriate processes are in place and supported by UT Austin Enterprise Business Information Technology Solutions' (eBITS).

Prior to the issuance of the report, management implemented a monthly monitoring control over the Student Account Receivable's group activity. This control was implemented as of August 5, 2020, and did not have an impact on the procedures performed or our conclusions.

Scope and Methodology

The scope of this audit included current controls for the eCheck payment option, including physical security, personnel controls, access controls, and network security.

To achieve the audit objectives, the Office of Internal Audits (Internal Audits) reviewed *Nacha Rules;* UT Austin policies, procedures, and guidelines; the current list of users with access to *DEFINE related eCheck information; and supporting documentation. In addition, Internal Audits conducted interviews and performed limited testing on information systems.

Background

UT Austin allows for online payments (e.g., tuition, housing, and dining) through an eCheck. Monetary transfers via eCheck rather than by debit or credit card are processed through the Automated Clearing House (ACH) Network. Because UT Austin creates ACH entries, it is considered an Originator.

Audit Observations

No recommendations were provided.

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[1] Nacha is a trade association responsible for overseeing the ACH Network. Nacha requires an annual audit of each Originator to ensure financial information is protected. Nacha Website - https://www.nacha.org/

Engagement Team[2]

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Report Distribution

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[2] This project was co-sourced with Postlethwaite & Netterville, APAC (P&N).