



# **National Automated Clearing House Association Rules *eChecks***

***August 2024***

**Office of Internal Audits**  
*UT Austin's Agents of Change*



# Executive Summary

## National Automated Clearing House Association (Nacha) Rules

eChecks

Project Number: 24.033

### Audit Objective

The objective of this audit was to determine compliance with the *National Automated Clearing House Association*<sup>1</sup> 2023-2024 Operating Rules for Internet Initiated/Mobile Entries (*Nacha Rules*).

### 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).

### 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, we reviewed *Nacha Rules*; UT Austin policies, procedures, and guidelines; the current list of users with access to \*DEFINE eCheck information; and supporting documentation. In addition, we 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. See Additional Risk Consideration.

<sup>1</sup> 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/>



## Additional Risk Consideration

During the FY23 *Nacha Rule* review, UT Austin self-identified that it was not in compliance with the WEB Debit Account Validation Rule. This relatively new rule requires the use of a check fraud detection system to screen online debits for fraud prior to using an account number. Noncompliance with the rule could result in a formal warning or monetary fines. Currently, eBITS and Accounting and Financial Management are investigating options for how to implement account validation with a third-party vendor.

## Engagement Team<sup>2</sup>

Mr. Paul Douglas, CISA, CCSFP, IT Audit Partner  
Mr. Matthew Stewart, CISA, IT Audit Senior Manager  
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## Report Submission

We appreciate the courtesy and cooperation extended throughout the audit.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Sandy Jansen".

Sandy Jansen, CIA, CCSA, CRMA, Chief Audit Executive

## Distribution

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<sup>2</sup> This project was co-sourced with EAG Gulf Coast, LLC