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Committee Meeting: 8/6/2003
Westin La Cantera Resort Hotel, San Antonio
Board Meeting: 8/7/2003
U. T. Health Science Center - San Antonio

Robert A. Estrada, Chairman
Rita C. Clements
Judith L. Craven, M.D.
Woody L. Hunt
Cyndi Taylor Krier

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2. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – Texas Government Code Section 551.074 *Mr. Chaffin*

Not on
Agenda

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U. T. System and U. T. Institutions: Evaluation and Duties of Employees Involved in Audit and Compliance Functions

Adjourn

1. **U. T. System: Discussion of Sarbanes-Oxley Act of 2002**

PURPOSE

The Chancellor recommends that U. T. System work toward voluntarily complying with elements of the Sarbanes-Oxley Act of 2002 (Act).

KEY POINTS/ POLICY ISSUES

The National Association of College and University Business Officers is currently producing an advisory report entitled "The Sarbanes-Oxley Act of 2002: Recommendations for Higher Education". The document highlights eight areas that have relevance to U. T. System operations.

Development of a formal action plan for this initiative and the staffing of a coordinating function can be completed, if begun almost immediately, by September 1, 2003. If that is accomplished, U. T. System could expect to certify the August 31, 2003, financial statements and present audited U. T. System Consolidated Financial Statements for the year ending August 31, 2004, with both Chief Administrative Officer (CAO) and Chief Financial Officer (CFO) certification. Internal control certification by the CAO, CFO, and the external auditor could be expected for the year ending August 31, 2005.

BACKGROUND INFORMATION

Compliance with the Sarbanes-Oxley Act of 2002 offers a unique opportunity for U. T. System to enhance its efforts to demonstrate a commitment to integrity in financial operations and the reporting of financial information. Congress passed the Act in response to a lapse in integrity in senior management in publicly held corporations and includes what is now considered the "best practice" in the field of effective stewardship of funds entrusted to an organization by those outside the organization. While the Act is not directly applicable to U. T. System since it is not a publicly held corporation, voluntary implementation of relevant parts of the Act would demonstrate to U. T. System's stakeholders - the Texas Legislature, the federal government, bond holders, citizens, and donors - an increased level of accountability for actions and reliability of information.

2. **U. T. System: Recommend approval of the Audit, Compliance, and Management Review Committee Charter**

RECOMMENDATION

The Chancellor and the Chief Audit Executive and System-wide Compliance Officer recommend the Audit, Compliance, and Management Review Committee approve the proposed charter set forth on Pages 98 -102.

BACKGROUND INFORMATION

The Audit, Compliance, and Management Review Committee is a new standing committee of the Board of Regents. The proposed Charter identifies responsibilities of the Committee and is broken into six categories: role, membership, reporting, education, authority, and responsibilities.

We anticipate that the Charter will need to be reviewed quarterly as the Sarbanes-Oxley Act guidance and the audit environment continue to change.

The proposed Charter has been reviewed by Vice Chancellor and General Counsel Godfrey.

Audit, Compliance, and Management Review Committee Charter
of the
Board of Regents of The University of Texas System
DRAFT

Role

The Audit, Compliance, and Management Review Committee ("the Committee") of the Board of Regents ("the Board") of The University of Texas ("U. T.") System assists the Board in fulfilling its responsibilities for:

- ◆ Oversight of the quality and integrity of the accounting and financial reporting practices, including the annual financial statements, and the system of internal controls;
- ◆ Oversight and direction of the internal auditing function, any external auditors whom the Committee may employ, and engagements with the State Auditor;
- ◆ Oversight and direction for the System-wide compliance function;
- ◆ Oversight of the review of effective institutional management practices at all U. T. System components; and
- ◆ Other duties as directed by the Board.

The Committee's role includes a particular focus on U. T. System's processes to manage business and financial risk, and for compliance with significant applicable legal, ethical, and regulatory requirements.

Membership

The membership of the Committee shall consist of at least three Board members who are generally knowledgeable in financial, management, and auditing matters, including at least one member with general and financial management expertise. Each member shall be appointed by the Chairman of the Board, approved by the Board, and shall be free of any relationship that would interfere with his or her individual exercise of independent judgment. Applicable laws and regulations shall be followed in evaluating a member's independence.

Reporting

The Chief Audit Executive, System-wide Compliance Officer, and executive management shall provide periodic reports related to audit, compliance, and management review to the Committee. Any public accounting firm employed by the Committee shall report directly to the Committee. The State Auditor's reports will be submitted to this committee. The Committee is expected to maintain free and open communications, which shall include private executive sessions, at least annually, with these parties, as it deems appropriate and is permitted by law.

The Committee chairperson shall regularly report Audit, Compliance, and Management Review Committee activities to the full Board of Regents, particularly with respect to:

- (i.) any issues that arise regarding compliance with legal or regulatory requirements and the performance and independence of internal and external auditing and assurance functions; and
- (ii.) such other matters as are relevant to the Committee's discharge of its responsibilities.

Education

U. T. System executive management is responsible for providing the Committee with educational resources related to accounting principles and procedures, risk management, and other information that may be requested by the Committee. U. T. System executive management shall assist the Committee in maintaining appropriate financial and compliance literacy.

Authority

The Committee, in discharging its oversight role, is empowered to study or investigate any matter related to audit, compliance, and management of interest or concern that the Committee, in its

sole discretion, deems appropriate for study or investigation by the Committee. The Committee shall be given full access to all U. T. System employees and operations as necessary to carry out this authority.

Responsibilities

The Committee's specific responsibilities in carrying out its oversight role are delineated in the Audit, Compliance, and Management Review Committee Responsibilities Checklist. The responsibilities checklist will be updated annually by the Committee to reflect changes in regulatory requirements, authoritative guidance, and evolving oversight practices. As the compendium of Committee responsibilities, the most recently updated responsibilities checklist will be considered to be an addendum to this charter.

The Committee relies on the expertise and knowledge of management, the internal auditors, the State Auditor, and any public accounting firm they may employ in carrying out its oversight responsibilities. U. T. System executive management is responsible for preparing complete and accurate financial statements and for monitoring internal controls and compliance with all applicable laws, regulations, and internal policies and procedures. Any public accounting firm hired by the Committee is responsible for performing the services specified in the hiring contract.

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Responsibilities Checklist
for the
Audit, Compliance, and Management Review Committee
of the
Board of Regents of The University of Texas System

1. The Committee will perform such other functions as assigned by law or the Board of Regents of The University of Texas System ("the Board").
2. The Committee shall meet four times per year or more frequently as circumstances require. The Committee may ask members of management or others to attend the meeting and provide pertinent information as necessary.
3. The agenda for Committee meetings will be prepared in consultation between the Committee chairman (with input from the Committee members), U. T. System executive management, the Chief Audit Executive, and the System-wide Compliance Officer.
4. The Committee shall verify that its membership consists of a minimum of three members who are generally knowledgeable in financial, management, and auditing matters, including at least one member with general and financial management expertise.
5. The Committee shall review the independence of each Committee member based on applicable independence laws and regulations.
6. The Committee shall review and approve the appointment or change in the Chief Audit Executive.
7. The Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities.
8. The Committee shall provide an open avenue of communication between the State Auditor, internal auditors, any public accounting firm employed, executive management, and the Board. The Committee chairperson shall report Committee actions to the Board with such recommendations as the Committee may deem appropriate.
9. For the purpose of preparing or issuing an audit report or related work, the Committee shall be directly responsible for the appointment, compensation, and oversight of the work of any employed public accounting firm (including the resolution of disagreements between management and the auditor regarding financial reporting). This does not preclude an individual component institution from hiring a public accounting firm to perform work at the component level.
10. The Chief Audit Executive has responsibility for ensuring that no conflicts of interest exist between public accounting firms performing consulting services and firms conducting financial statement audits. The Chief Audit Executive shall report annually on the status and integrity of U. T. System's engagements with public accounting firms.
11. The Committee shall review with executive management, the Chief Audit Executive, the System-wide Compliance Officer, the State Auditor, and any employed public accounting firm the coordination of efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of resources.
12. The Committee shall inquire of executive management, the Chief Audit Executive, the System-wide Compliance Officer, and any employed public accounting firm about significant risks or exposures and assess the steps management has taken to minimize such risk to U. T. System.
13. The Committee shall consider and review with the Chief Audit Executive, the System-wide Compliance Officer, the State Auditor, and any employed public accounting firm:

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- a. The adequacy of U. T. System's internal controls including computerized information system controls and security;
 - b. The adequacy and efficiency of senior-level management with respect to fiscal operations and compliance functions at all component institutions;
 - c. Any related significant findings and recommendations of the State Auditor, independent public accountants, and internal audit together with management's responses thereto.
14. Regarding the U.T. System's financial statements, the Committee shall review with executive management and/or the Chief Audit Executive:
- a. U. T. System's annual financial statements and related footnotes;
 - b. Any audit and assurance work performed on components of the annual financial statements;
 - c. Any significant changes to the financial statements requested by the State Auditor, internal audit, or any independent public accountants;
 - d. Any serious difficulties or disputes with management encountered during assurance work on components of the financial statements;
 - e. Other matters related to the conduct of assurance services that are to be communicated to the Committee under generally accepted government auditing standards.
15. The Committee shall require the Chancellor and the Executive Vice Chancellor for Business Affairs certify the annual financial statements for the U. T. System as a whole, and that each President and Chief Business Officer certify the annual financial statements for their respective component institution.
16. The Committee shall review legal and regulatory matters that may have a material impact on the financial statements, internal auditing and/or compliance activities.
17. The Committee shall review with executive management and the Chief Audit Executive at least annually U. T. System's critical accounting policies, including any significant changes to Generally Accepted Accounting Procedures (GAAP), Regents' Rules and Regulations, and/or operating policies or standards.
18. On an annual basis, the Committee shall review, recommend, and approve the annual audit plan, including the allocation of audit hours, at its November meeting.
19. Regarding audits, the Committee shall consider and review with executive management and the Chief Audit Executive:
- a. Significant findings during the year and management's responses thereto;
 - b. Any difficulties encountered in the course of the audits, including any restrictions on the scope of work or access to required information;
 - c. Any changes required in the planned scope of the audit plan.
20. The Committee shall conduct an annual performance review and evaluation of the Chief Audit Executive. The Committee may delegate responsibility for the performance review to the Chancellor, in which case the Chancellor would provide a recommendation and supporting documentation to the Committee as a basis for their evaluation.
21. The Committee shall ensure procedures are established for the receipt, retention, and treatment of complaints received regarding internal controls or auditing matters; and the confidential anonymous submission by employees of concerns regarding questionable auditing matters.
22. The Committee shall monitor The University of Texas System Institutional Compliance Program and review with executive management and the System-wide Compliance Officer the status of the program and the results of its activities, including:
- a. Significant institutional risks identified during the year and mitigating actions taken;

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- b. Significant findings during the year and management's responses thereto;
 - c. Any difficulties encountered in the course of inspections or assurance activities, including any restrictions on the scope of work or access to required information;
 - d. Any changes required in planned scope of the compliance action plan.
23. The Committee shall ensure procedures are established for the receipt, retention, and treatment of complaints received regarding compliance issues and the confidential anonymous submission by employees of concerns regarding ethically or legally questionable matters.
24. The Committee shall meet with the Chief Audit Executive, the System-wide Compliance Officer, executive management, or any employed external auditors in executive session to discuss any matters that the Committee or the before named believe should be discussed privately with the Committee, to the extent permitted by applicable law.
25. The Committee shall review and update the Audit, Compliance, and Management Review Committee Responsibilities Checklist annually.

3. **U. T. System: Report on the Hogg Foundation for Mental Health**

REPORT

The Office of Academic Affairs issued a report dated May 6, 2003, entitled "Review of the Hogg Foundation for Mental Health". Executive Vice Chancellor Sullivan and Dr. Kerker will discuss the review and recommendations with the Audit, Compliance, and Management Review Committee.

The report was provided to members of the U. T. Board of Regents at an earlier date. The executive summary of the report is included on Pages 104 - 105.

Executive Summary

Background

The Hogg Foundation was initially endowed by Mr. William C. Hogg in 1939 and given its initial vision by his sister, Miss Ima Hogg, as “a broad mental health program for bringing great benefits to the people of Texas”. In 1940 the foundation began functioning as an operating foundation with mental health education as its major activity. Initially the Foundation was established as a Trust Foundation with the U. T. Board of Regents serving as its trustees. As endowments grew, the foundation began making grants, mainly for mental health research, in the early 1950s. In 1964, a second entity under the Foundation called the Ima Hogg Foundation became an internal corporation with all members of the Board of Regents acting as its Board of Directors. Upon her death in 1975, Miss Ima Hogg restricted all grants from the Ima Hogg Foundation, Inc. to mental health programs for children in the Houston area.

In 1993, the Board of Regents reorganized the Hogg Foundation by: a) clarifying the status of the Hogg Foundation for Mental Health as an administrative unit within U. T. Austin and renamed the organizational unit the “Office of the Hogg Foundation for Mental Health”; and b) approving a recommendation to the Board of Directors of the Ima Hogg Foundation to dissolve the corporation and transfer all assets to the Ima Hogg Endowment within the Hogg Foundation. Through these actions, the Board of Regents brought the various endowments and programs under a single entity: The Hogg Foundation for Mental Health. At that time, the Board also delegated its responsibility for the Foundation to the President of The University of Texas at Austin.

Personnel

The staffing for the Foundation is fairly typical with an Executive Director, Associate Director and Program Directors for each of the major operating and grant areas. The number of employees, 20, is average for a public Foundation with \$100 million or more in assets (the national average is 19). Salaries for the Foundation Executive staff are within national norms for public foundations with over \$100 million in assets (source: 2002 Grantmakers Salary and Benefits Report, Council on Foundations).

Assets/Income/Expenses

As of August 31, 2002, the market value of the Hogg Foundation’s endowments totaled \$110,008,847. The W. C. Hogg Fund was valued at \$85,396,596, the Ima Hogg Endowment at \$23,820,501, and other smaller endowments valued at \$791,750. The endowment funds of the Foundation are managed by UTIMCO.

Earnings from the endowment funds totaled \$5,403,099. These funds were used for the operation of the Foundation in the following areas:

Staff salaries and benefits	\$1,529,927
Consultants	34,822
Maintenance, Operation, Equipment	69,907
Travel	53,230
Publishing and Mailing	59,646
Conferences and Other Programs	81,015
Grants	3,281,910

Operating and Grant Programs

While most foundations are either a grant making or an operating entity, the Hogg foundation continues to provide both services to the public.

As an operating foundation, the Hogg Foundation continues its mental health education program (now called the communication program). The Communication program is comprised of two divisions: News and Information and Publications. The News and Information program shares information from grant making and operation programs via news releases, media events, and the Hogg Foundation News newsletter. The Publication Division produces publications to improve public understanding of mental health, behavioral disorders, and treatment. In addition, publications are also produced related to the Children's Health Insurance Program and patient rights issues.

Another major operating function of the Foundation is the Regional Foundation Library. The library, open to the public, provides over 225 periodicals about philanthropic organizations. These resources provide a much needed benefit to grantseekers and grantmakers alike. The library is frequently used by University faculty, staff, and students and served as a valuable source of national data for this review.

During the 2001-2002 fiscal year, the Hogg Foundation awarded 96 grants, three fellowships, and one scholarship totaling \$3,293,910 from interest on its funds and endowments. The distribution of funds reflects the Foundation's emphasis on three program areas:

Children and Their Families	\$1,480,493 (45 percent)
Youth Development	\$ 879,592 (27 percent)
Minority Mental Health	\$ 551,120 (17 percent)

It is worth noting that these totals are not necessarily restricted to a specific program area. In fact, many grants target populations within two or all three of the priority areas. Overall, 89 percent of our funds supported projects in these three areas, including projects for mental health service delivery, program development, research, education, and professional training.

4. **U. T. System: Report on the System-wide audit activity (red, yellow, green project)**

REPORT

The third quarter activity report on the status of outstanding significant audit recommendations is set out on Pages 107 - 110. Additionally, a list of other audit reports that have been issued by the System-wide audit program follows on Pages 111 - 124.

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 the component internal audit committee or their 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. A summary report is provided to the U. T. System Audit, Compliance, and Management Review Committee of the U. T. Board of Regents.

U. T. SYSTEM AUDITS

1st Time reported in this format - All start as RED


Report Date	Institution	Audit	Fiscal Year 2003						Overall Progress Towards Completion (Note 1)	Ranking Significance	New Rec. Index to Info.
			1st Quarter		2nd Quarter		3rd Quarter				
			Ranking	# of Significant Findings	Ranking	# of Significant Findings	Ranking	# of Significant Findings			
1 1998-06	System Adm.	Office of Human Resources		1		1	1	Satisfactory	O	-	
2 1998-07	HSCHouston	Federal Contracts & Grants Review		1		1	1	Satisfactory	C	-	
3 1999-02	UTPB	Compliance Program		1		1	1	Satisfactory	C	-	
4 1999-11	UTD	Green Commons Club		1		1	1	Satisfactory	O	-	
5 2000-04	HSCHouston	Medical Service Research & Development Plan (MSRDP)		1		1	1	Satisfactory	C	-	
6 2000-04	System Adm.	Summary of Operations Review		2		2	1	Completed	C	-	
7 2000-05	HC-Tyler	IT Audit of Physical Security - Safeguarding & Storage of System Media		2		2	2	Satisfactory	O	-	
8 2000-09	U. T. Austin	Federal Funds Principal Investigators		4		4	4	Satisfactory	C	-	
9 2000-11	HSC-SA	MSRDP/DSRDP Financial Review		1		1	0	Completed	F	-	
10 2001-01	HSCHouston	Casual Appointments, Compensation Compliance & Monitoring Review		1		1	1	Satisfactory	C	-	
11 2001-04	UTPA	Internet Security		1		1	1	Satisfactory	O	-	
12 2001-08	IMB-Galveston	Institutional E-mail Systems		2		2	2	Satisfactory	O	-	
13 2001-08	MD-Anderson	Lotus Notes Environment		3		3	3	Satisfactory	O	-	
14 2001-08	MD-Anderson	Physical Environment		1		1	0	Completed	O	-	
15 2001-09	HC-Tyler	Medical Services, Research & Development Plan		1		1	0	Completed	F	-	
16 2001-09	UTPA	Advanced Research/Technology Programs		2		6	3	Satisfactory	C	-	
17 2001-10	HSC-SA	Information Security		2		2	2	Satisfactory	C, O	-	
18 2001-10	MD-Anderson	Disaster Recovery/Business Continuity Planning		1		1	1	Satisfactory	O	-	
19 2001-11	UTEP	Department of Chemistry		3		3	1	Satisfactory	C	-	
20 2001-11	UTEP	Model Institutions for Excellence		1		1	1	Satisfactory	C	-	
21 2001-11	UTT	IT General Security Review		3		10	2	Satisfactory	O	-	
22 2001-11	HSCHouston	Report on University Care Plus (UCP)/Physician Business Services (PBS) Payment Process & AIR Credit Balance Review		3		3	2	Satisfactory	C, O	-	
23 2002-02	UTD	Follow-Up of Prior Audit Recommendations		1		1	1	Satisfactory	F	-	
24 2002-02	HSCHouston	Time Management System (TMS) Post Implementation Review		1		1	1	Satisfactory	O, C	-	
25 2002-02	HSCHouston	Environmental & Physical Safety Compliance Program Review		1		1	1	Satisfactory	C	-	
26 2002-04	UTB	2002 General Controls Audit of Information Technology		1		1	1	Satisfactory	O	-	
27 2002-04	UTEP	Student Health Center		1		1	0	Completed	O	-	
28 2002-04	UTEP	Information Technology Department Network Support Audit		3		2	0	Completed	C	-	
29 2002-05	UTA	Office of the Vice President for Finance & Administration		1		3	2	Completed	O	-	
30 2002-05	HC-Tyler	Departmental Audit		1		1	1	Satisfactory	F	-	
31 2002-05	System Adm.	Office of Information Resources Follow-up		1		1	1	Satisfactory	O	-	
32 2002-06	UTSA	Registrar's Office		0		1	0	Completed	O	-	
33 2002-07	IMB-Galveston	Clinical Interface Engine		2		2	2	Satisfactory	O	-	


Report Date	Institution	Audit	1st Quarter		2nd Quarter		3rd Quarter		Overall Progress Towards Completion (Note 1)	Ranking Significance Material to Component's Fin. Stmt. ("F"), Compliance ("C"), and/or Operations ("O")	New Rec. Index to Info.
			Ranking	# of Significant Findings	Ranking	# of Significant Findings	Ranking	# of Significant Findings			
34 2002-08	UTEP	Information Technology Department						0	Completed	C	-
35 2002-08	HSC-SA	Institutional Compliance Program					3	3	Satisfactory	C	-
36 2002-08	System Adm.	Travel and Entertainment Expenditures		1			1	1	Satisfactory	O, C	-
37 2002-09	U. T. Austin	Travel		2				2	Satisfactory	O, C	-
38 2002-09	UTSA	Procurement Card					1	1	Completed	O	-
39 2002-09	UTSA	Change in Management Dept. Reviews		1			1	1	Satisfactory	O	-
40 2002-09	Southwestern	Real Estate Services					1	0	Completed	O	-
41 2002-10	UTA	ATP/ARP		1			1	0	Completed	O	-
42 2002-10	U. T. Austin	Student Accounts Receivable/Fee Billing System		1			1	1	Completed	C	-
43 2002-10	U. T. Austin	Unit Heads						1	Unsatisfactory*	O	-
44 2002-10	UTB	Workforce Training and Continuing Education Audit		1			1	1	Satisfactory	O, C	-
45 2002-10	UTT	ABEST Performance Measures					2	1	Satisfactory	F, O	-
46 2002-10	System Adm.	HCT Clinical Trials					2	1	Satisfactory	C	-
47 2002-11	UTPB	POISE Application Audit					2	2	Satisfactory	O, F	-
48 2002-11	System Adm.	Accounts Receivable - Health Comp.					1	0	Completed	F	-
49 2003-01	Southwestern	Willed Body Program						1	Completed	C, O	111
50 2003-02	System Adm.	EGI - Benefits and Eligibility Systems						1	Completed	O	112
51 2003-03	UTD	Accounts Receivable & Allowance for Doubtful Accounts						1		O	113
52 2003-03	UTPA	General Controls						11		O	113
53 2003-03	UTSA	Library System						1		O	114
54 2003-03	MB-Galvesion	Correctional Managed Care (CMC) Information Systems Operations						5		O	115
55 2003-04	UTD	Research Compliance						2		C	117
Totals				51			84	77			


Report Date	Institution	Audit	1st Quarter		2nd Quarter		3rd Quarter		Overall Progress Towards Completion (Note 1)	Ranking Significance Material to Component's Fin. Stmt. ("F"), Compliance ("C"), and/or Operations ("O")	New Rec. Index to Info.
			Ranking	# of Significant Findings	Ranking	# of Significant Findings	Ranking	# of Significant Findings			
1 2002-02	MB-Galveston	Contract Administration Review at the University of Texas Medical Branch at Galveston		4		4	0	n/a	Completed	n/a	-
2 2002-05	MD-Anderson	Statewide Single Audit report for Year Ended August 31, 2001		1		1	1	12/31/03	Satisfactory	n/a	-
3 2002-09	UTB	A Financial Review		0		2	2	9/03/03 and 4/30/2004	Satisfactory	n/a	-
4 2002-11	HSC-SA	FY 01 Performance Measures at 14 Entities		0		2	0	-	Completed	n/a	-
5 2002-11	Southwestern	FY 01 Performance Measures at 14 Entities		0		2	0	-	Completed	n/a	-
6 2003-02	U. T. Austin	Statewide Audit FYE 8/31/02		5		11	7	12/31/03	Satisfactory	n/a	118
Totals				5		11	10				


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

Color Legend:

 Any audit with institutionally significant findings. A recommendation is always reported red the first quarter it appears on the chart.

 Not necessarily a failure - just an area that needs high level attention.

 A red audit becomes a yellow when significant progress has been made.

 All issues have been appropriately resolved.

Note: **Completed** - The component Internal Audit Director deems the significant issues have been appropriately addressed and resolved.

Satisfactory - The component Internal Audit Director believes that the significant issues are in the process of being addressed in a timely and appropriate fashion.

Unsatisfactory - The component Internal Audit Director does not feel that the significant issues are being addressed in a timely and appropriate fashion.

* This is a recommendation to centralize the AR function (billing and collecting) of the University. Audit and management both agree this should be done; however, it will take a significant amount of time and resources. Since the recommendation is one of efficiency versus a control weakness and in the current budget environment, management is not implementing this recommendation at this time.

5. **U. T. System: Report on the 2004 Audit Plan process**

REPORT

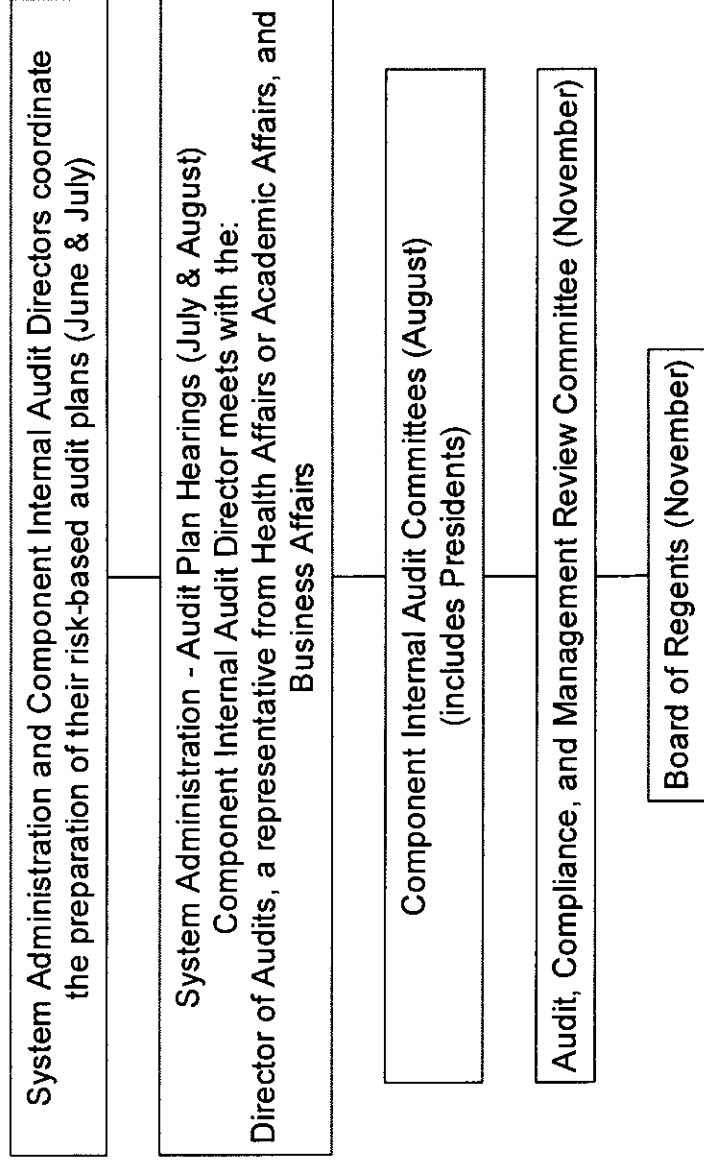
Ms. Andrea Marks, Director of Internal Audit of The University of Texas Health Science Center at San Antonio, and Mr. Richard Dawson, Director of Auditing and Consulting Services of The University of Texas at San Antonio, will present the process for developing the 2004 University of Texas System-wide Audit Plan (Audit Plan), which is a blueprint of the internal audit activities that will be performed by the internal audit function throughout The University of Texas System. The process is set forth on Page 126. Individual audit plans are prepared at each component and approved by the component Internal Audit Committee in July and August.

The Chief Audit Executive provides direction to the internal audit directors prior to the preparation of the audit plans and provides formal feedback through conducting "audit hearings" with each component. The process of preparing the audit plans includes identifying those areas considered to be specific to each component that are considered to be the most important and ensuring that activities with the greatest risk are audited.

The efforts of the internal audit function continue to expand into areas other than the performance of traditional audits. Examples of added services include consulting services and management audits in the institutions' core business processes.

The Audit Office is beginning the process of preparing the 2004 Audit Plan. The Committee will be asked to approve the Audit Plan in September 2003.

Annual Audit Plan – Approval Process



6. **U. T. System: Report on Information Technology Security Initiative**

REPORT

Ms. Kristi Fisher, System-wide Compliance Supervisor, will make a PowerPoint presentation on current U. T. System information technology security initiatives, including the Chancellor's Information Technology Vulnerability Assessment and Assurance Initiatives and the Long-Range Information Technology Security Initiative (Pages 128 - 129). The System Audit Office and the audit function at each component institution are providing assurance services and are heavily involved in these initiatives.



U. T. System IT Security Vulnerability Assessment & Assurance Initiatives

Presented to the
Audit, Compliance and Management Review Committee of the
Board of Regents of The University of Texas System
August 2003

Topic Overview

- **Chancellor's IT Vulnerability Assessment**
 - Timeline
 - Coordination
 - Office of Information Technology
 - System Audit Office
 - Status
- **Long-range IT Security Initiative**
 - Objectives
 - Steering Committee

The Chancellor's Initiative...

- **March 6, 2003 - memo to presidents**
- **Comprehensive IT Security Vulnerability Inventory and Assessment**
- **Action Plan to address identified vulnerabilities**

Timeline

- **Phase 1: Mission-Critical and Centrally Managed Systems**
 - Vulnerability Inventory due April 15
 - Action Plan due June 1
- **Phase 2: Departmental (all other) Systems**
 - Vulnerability Inventory due August 1
 - Action Plan due October 1

Coordination

- **U. T. System Offices of Information Technology / Information Resources:**
 - Videoconference on March 21, 2003
 - Requested **SUMMARY** Information
 - Provided instructions, templates, and sample reports

Coordination (cont.)

- **System Audit Office:**
 - Assurance services provided by audit function at each institution with guidance from System Audit Office
 - Monitor process, evaluate detailed reports, and verify summarized information
 - Issuing an Assurance Report to accompany each management report

Status

- Phase 1 Completed
 - Vulnerability reports and action plans received from all components
 - 34 major categories of vulnerabilities identified
 - Qualitative risk ranking clarified highest risks
 - Authentication
 - Remote Access
 - Email Configuration
 - Security Patches
 - Encrypted Transmission
 - Training/Sensitive Data
 - Firewalls
 - Virus Protection/Workstations
 - Logical Security
 - Workstation Configuration
 - Password Encryption
 - Major Initiative for some campuses, involving outside consultants and substantial costs

Status (cont.)

- July meeting to discuss systemic vulnerabilities
- Phase 2 in progress (near completion at several components)
- Audit offices continue to monitor
- Overarching "IT Security Initiative" has been launched

IT Security Initiative

- Long-range objectives
- Comprehensive system-wide assessment
- Four parts:
 - Data gathering
 - System-wide contracts
 - Operational reviews
 - Internal methods and monitoring

IT Security Initiative (cont.)

- IT Security Steering Committee
 - Led by:
 - Dr. Clair Goldsmith (Assoc. Vice Chancellor & CIO)
 - Bill Taylor (Audit Supervisor, System Audit Office)
 - Representatives from the Strategic Leadership Council
 - Focusing on operational assessment of security at all components
- IT High-risk Working Group

7. **U. T. System: Report on System-wide compliance program status**

REPORT

Mr. Charles Chaffin will report on the third quarter activity report on the System-wide Compliance function as presented on Pages 131 - 133. An activity report is reported to the Audit, Compliance, and Management Review Committee of the Board of Regents on a quarterly basis.

**The University of Texas System
System-wide Compliance Function**

**Institutional Compliance Quarterly Report
3rd Quarter Fiscal Year 2003
February 16 – May 15, 2003**

Organizational Matters

The Internal Audit and Compliance Subcommittee of the Finance and Planning Committee of the Board of Regents met on April 1, 2003. The purpose of the subcommittee is to provide Board of Regent oversight to the internal audit and compliance activities of the U. T. System. The topics discussed included the program status, information security, 2003 Action Plan to Ensure Institutional Compliance, and the Southern Association of College and University Business Officers Best Practice Award.

The System-wide Compliance Executive Committee met on February 23, 2003. The focus of this committee is to provide guidance and oversight to the System-wide Compliance Function. The topics discussed included the status of the implementation of institutional compliance programs at U. T. Austin and HSC Houston; the activities of the High-risk Working Groups; and emerging compliance risks.

The System-wide Compliance Committee met on May 23, 2003 by videoconference. The focus of this committee is to facilitate the communication and sharing of ideas, best practices, exposures, and other information related to common areas of high risk among the component institutions. The topics discussed included the activities and status of the program; activities of the High-risk Working Groups; emerging areas of risk including security and information technology vulnerability; High-risk Working Group and committee structure assessment; and the UTIMCO compliance initiative.

Summary of Quarterly Activity

The System-wide Compliance Function facilitates regular meetings of the High-risk Working Groups. Following is a synopsis of progress made during the third quarter of FY 2003.

Campus Safety and Security

Chair: Mr. Lewis Wright, Associate Vice Chancellor for Business Affairs and Assistant Vice Chancellor for Governmental Relations, U. T. System

Accomplishments: This group has been extremely active since the fall of 2001. Activities include the development of the U. T. System Emergency Response Program, Critical Infrastructure Threat assessments, designing and implementing Campus Security Systems, and ensuring compliance with the USA Patriot Act of 2001 and the Public Health Security and Bio-terrorism Preparedness Act of 2002. The group provided coordinated information to the legislature on the implications of HB 9 (Homeland Security) and other security information vulnerability privacy legislation. Their last meeting was held in January 2003, with the next meeting planned for the 4th quarter.

Conflict of Interest

Chair: Mr. Cullen M. Godfrey, Vice Chancellor and General Counsel, U. T. System
Ms. Angela Wishon, Director of Research Facilitation and Compliance, UTMB

Activities: There are two ongoing efforts concerning conflict of interest in scientific research. The Research Policy Standards Committee, chaired by Mr. Godfrey, is charged with reviewing the existing standards and policies related to the protection of human subjects and developing a draft set of principles that would become U. T. System policy. Draft guidelines have been developed and the committee is scheduled to meet by teleconference on June 6, 2003, to ensure that the proposed U. T. System guidelines are consistent with industry standards and to finalize the guidelines.

The University of Texas System System-wide Compliance Function

An ad hoc committee of the U. T. System Technology Management Council, chaired by Ms. Wishon, is reviewing conflict of interest management plan policies and monitoring activities. The ad hoc committee has met by teleconference twice during the quarter.

Endowments

Chair: Ms. Shirley Bird Perry, Vice Chancellor for Development and External Relations, U. T. System

Facilitators: Ms. Julie Lynch, Trust Officer, U. T System
Ms. Kimberly Hagara, Assistant Director, U. T. System

Activities: The committee met on May 6, 2003 to discuss the program status reports received February 3, 2003. Significant progress is being made in the areas of risk assessment, training, and monitoring. Additionally, the report format for the June 13, 2003 program status report was revised to include reporting on the reinvestment of endowment distributions, establishment of institutional expenditure guidelines, and endowment fee use. Presentations on the activities of the endowment compliance program were made to the System Council, Business Management Council, Development Officers, and the System-wide Compliance Committee.

Health Insurance Portability and Accountability Act (HIPAA)

Chair: Ms. Amy Shaw Thomas, Associate Vice Chancellor for Health Affairs

Accomplishments: Compliance with the HIPAA Privacy Standards was required by April 14, 2003. A post implementation review process has been implemented to ensure compliance with the requirements. An on-site review was conducted at the HSC Houston on May 17, 2003. Each of the health institutions has been requested to provide an implementation status report. A meeting of the HIPAA Coordinators is being planned for the fourth quarter.

Medical Billing

Chair: Dr. John Sparks, Physician in Chief, U. T. HSC – Houston

Facilitator: Ms. Kimberly Hagara, Assistant Director, U. T. System

Accomplishments: This group met on February 27, 2003 to discuss medical billing issues in the areas of pathology, Medicare physician teaching rules clarification, reimbursement policy development, training, and program reviews. The group is next scheduled to meet on June 27, 2003.

Information Technology

Chair: Dr. Clair Goldsmith, Assoc. Vice Chancellor and Chief Information Officer, U. T. System

Accomplishments: The Office of Information Technology and the Office of Business Affairs are working on three system-wide projects related to information security. Vulnerability assessments and action plans have been completed for mission-critical and centrally managed information systems at all component institutions. A steering committee has been established to address the four-part IT security initiative that includes collecting relevant data, identifying requirements for system-wide contracts, performing a system-wide IT operational review, and identifying internal methods to enhance security. Additionally, the system-wide Social Security Number Task Force is evaluating and recommending a strategy for securely collecting, maintaining, and disseminating Social Security numbers.

The University of Texas System System-wide Compliance Function

High-Risk Working Group Assessment

We are assessing each of the existing high-risk working groups to determine the appropriate value-added focus and objectives going forward. Areas of assessment include membership composition, integration with existing committees, networking and development of strategies within peer groups, and sharing of best practices. We expect to complete the assessment during the fourth quarter and have a recommendation related to the groups in August.

Summary of Action Plan Activity

Action Plan

The System-wide Executive Compliance Committee and the Internal Audit and Compliance Subcommittee of the Board of Regents approved the update of the 1998 Action Plan to Ensure Institutional Compliance entitled "2003 Action Plan to Enhance Institutional Compliance" (2003 Action Plan). The 2003 Action Plan focuses on a maturing program and includes flexibility for cultural and organizational differences at the component institutions.

University Compliance Group

The System-wide Compliance Function participated in two conference calls with the University Compliance Group. The University Compliance Group is comprised of compliance personnel from major universities throughout the country, including: Minnesota, Michigan, Harvard, Stanford, Penn, Washington University, Duke, Northwestern, and others. The group meets by conference call monthly to share information and best practices. Discussion items have included: institutional conflict of interest, research time and effort compliance, research administration, bio-security, HIPAA, and governing agency activity.

National Presentation

The System-wide Compliance Officer made a presentation on the Institutional Compliance Program at the annual meeting of the Southern Association of College and University Business Officers.

Peer Review Guide

The Peer Review Guide has been drafted, along with a sample "Peer Review Engagement Agreement" template. We are now focusing on compiling best practices from our own institutional compliance programs as well as other major universities. A compendium of best practices is essential to providing a clear and usable guide to facilitate external peer reviews. Our goal is to have the Peer Review Guide packaged and ready for use by all component institutions by September 1, 2003, and we are encouraging external peer reviews of the compliance programs at each component during the 2004 fiscal year.

Site Visits

The System-wide Compliance Function conducted site visits during the quarter at U. T. Arlington, U. T. Brownsville, U. T. Pan American, and M.D. Anderson. During the visits, we reviewed the status of the programs and identified best practices to be shared system-wide.

UTIMCO

The System-wide Compliance Function has been assisting UTIMCO with its compliance program initiative by facilitating risk assessment and monitoring plan workshops. Two facilitated risk assessment workshops were conducted during the quarter.

8. **U. T. System: Report on UTIMCO compliance initiative and (revised) 2003 Action Plan to enhance Institutional Compliance**

REPORT

Mr. Charles Chaffin will report on modification of the System-wide Compliance program to include The University of Texas Investment Management Company (UTIMCO). This change required modification of the 2003 Action Plan to Enhance Institutional Compliance (2003 Action Plan), as set forth on Pages 135 - 141.

*Action Plan to Enhance
Institutional Compliance*

THE UNIVERSITY OF TEXAS SYSTEM
Updated 2003



I N T R O D U C T I O N

This 2003 Action Plan to Enhance Institutional Compliance (2003 Action Plan) is an updated version of the original 1998 Action Plan to Ensure Institutional Compliance approved by the Chancellor and presented to the Business Affairs and Audit Committee of the Board of Regents on April 24, 1998.

The implementation phase of the 1998 Action Plan is reaching the final stages. Compliance programs, officers, and committees exist at U. T. System Administration and at all fifteen component institutions of the U. T. System. In addition, the System-wide Compliance Officer working with a System-wide Compliance Executive Committee, consisting of U. T. System executive management, oversees the program. Finally, the System-wide Compliance Officer reports to the Audit, Compliance, and Management Review Committee of the Board of Regents at each of their quarterly meetings to keep them abreast of compliance program activities and issues.

The System-wide Compliance program has also been modified to include The University of Texas Investment Management Company (UTIMCO), which has appointed compliance officer, compliance committee, and implemented an institutional compliance program.

The mission statement of the Institutional Compliance program is "The University of Texas System (U.T. System) endeavors to fulfill all of its responsibilities to the people of Texas in an environment based upon ethical behavior and compliance with applicable laws and rules." Related to this mission, two primary goals of the program have been developed:

- ❖ providing assurance that all faculty and staff are aware of their duties and responsibilities in establishing and sustaining that environment; and
- ❖ providing a mechanism for continuously assessing the effectiveness of that environment in assuring that all UT System activities are conducted with integrity.

The purpose of the 2003 Action Plan is to address those ongoing elements of an effective compliance program that minimize the risk of significant compliance failures and enhance the program through best practices learned during the implementation process. Compared to the 1998 Action Plan, certain action steps have been deleted in the 2003 Action Plan because they were one-time tasks that have been accomplished. What remains in the 2003 Action Plan are those program activities that must be continuously pursued, monitored, refined, revised, and pursued again. What we have learned over the past five years is that compliance is a journey, not a destination.

The following pages present the 2003 Action Plan items by "Responsible Party." The Action Plan includes the following key elements from the 1998 Action Plan:

- The designation of the System-wide Compliance Officer.
- The designation of a Compliance Officer at U. T. System Administration, each component institution, and UTIMCO. The Compliance Officer should report to the Chief Administrative Officer.
- The continuation of a System-wide Executive Compliance Committee and parallel Compliance Committees at U. T. System Administration, each component institution,

- and UTIMCO that meet at least quarterly.
- The mandate for a *continuous and proactive* compliance function that reports to the Compliance Officer at System Administration, each component institution, and UTIMCO.
- The allocation of sufficient resources at U. T. System Administration, each component institution, and UTIMCO to fund compliance activities (including information resources, training, and monitoring activities) that reduce compliance risk to a reasonably low level.
- The requirement that Compliance Officers and Committees at U. T. System Administration, the component institutions, and UTIMCO report their activities to the System-wide Compliance Officer *at least* annually.

The 2003 Action Plan assigns responsibility and accountability for compliance with laws, regulations, policies, and procedures as follows:

- The System-wide Compliance Officer is responsible and will be held accountable for apprising the Chancellor and the Board of Regents of the compliance programs and activities at System Administration, each of the component institutions, and UTIMCO.
- The Compliance Officers at U. T. System Administration, each component institution, and UTIMCO are responsible and will be held accountable for a risk-based process that builds compliance consciousness into daily business processes, monitors the effectiveness of those processes and communicates instances of non-compliance to appropriate administrative officers for corrective, restorative and/or disciplinary action.
- Responsibility for actual compliance with laws, regulations, policies, and procedures rests with each individual employee. Accountability resides primarily with the department head of each operating unit.
- The Chancellor and each Chief Administrative Officer are responsible and will be held accountable for the sufficiency of resources allocated to compliance activities and the appropriateness of corrective and disciplinary action taken in the event of non-compliance.

Questions about the 2003 Action Plan should be directed to Charles G. Chaffin, System-wide Compliance Officer (512-499-4390).

2003 ACTION PLAN – COMPLIANCE PROGRAM

Program Element	Responsible Party	Frequency
<p>1. Establish an appropriate Institutional Compliance Committee.</p> <p><i>Implementation Guidance: The type of committee and communication structure established should be appropriate to the culture of the institution. Communication with the Chief Administrative Officer is essential. This communication can be accomplished through a committee structure or scheduled briefing meetings. There are several different types of committee structures that can be utilized. The Executive Compliance Committee, a high level committee, comprised of those line managers reporting directly to the President or CEO. The three major duties of this type of committee are to provide appropriate resources for the compliance program, to ensure appropriate action for noncompliance issues brought to its attention, and to provide overall policy guidance for the program. The Compliance Working Committee is composed of the responsible parties for each high-risk compliance area of the institution. This committee performs data gathering, analysis, and recommendations for the Compliance Officer and executive management. Additionally, a member of the compliance working committee may chair a subcommittee for their area of responsibility. The subcommittees may perform such tasks for their high- risks compliance activities as (1) risk assessments, (2) development of monitoring, specialized training, and reporting plans, and (3) certain assurance activities.</i></p>	<p>Chancellor Chief Administrative Officer</p>	<p>Ongoing</p>
<p>2. Require the Institutional Compliance Committee to meet at least quarterly.</p>	<p>Compliance Officer</p>	<p>Quarterly</p>
<p>3. Establish a System-wide Compliance Committee comprised of institutional representatives of common areas of high risk.</p> <p><i>Implementation Guidance: The System-wide Compliance Committee should facilitate communication and sharing of ideas, best practices, exposures, and other information related to common areas of high risk among the component institutions. The System-wide Compliance Officer is the chairman of this Committee, and membership is composed of knowledgeable staff in the representative high-risk areas from component institutions. The Committee should meet periodically as circumstances require.</i></p>	<p>System-wide Compliance Officer</p>	<p>Ongoing</p>

Program Element	Responsible Party	Frequency
<p>4. Establish appropriate System-wide High-risk Working Groups.</p> <p><i>Implementation Guidance: System-wide High-risk Working Groups should be established in those areas of high risk to facilitate risk assessment, monitoring plans, and sharing of ideas and best practices. Membership should include institutional responsible parties in the identified areas of high risk. The working groups should meet periodically as circumstances require.</i></p>	System-wide Compliance Officer	Ongoing
<p>5. Budget sufficient resources to fund ongoing and proactive compliance activities (information resources, training, and monitoring activities) that reduce compliance risk to an acceptably low level.</p> <p><i>Implementation Guidance: The amount of funding necessary for compliance activities depends on the size of the component institution and its associated compliance risks. The allocation of the funding depends on the organizational structure of the compliance function. It is understood that risk cannot be reduced to zero; however, it should be reduced to a reasonably low level. Funding should be provided for: 1) assuring good information resources to keep current on regulatory changes and interpretations, 2) extensive in-house or external-based training programs that provide both general compliance training to all employees on a periodic basis, and ongoing specialized training tailored to the needs of each employee who has job responsibilities in areas of significant risk, and 3) ongoing monitoring activities that provide management with vital information on the degree to which the institution complies with laws, regulations, policies, and procedures. (Monitoring should generally be provided at three levels: within daily business processes, through the institutional compliance function, and through internal audits).</i></p>	Chancellor Chief Administrative Officer	Annually
<p>6. Develop an annual compliance risk assessment and appropriate compliance risk management plans for identified institutional critical risks.</p> <p><i>Implementation Guidance: An annual compliance risk assessment should be performed to identify institution critical compliance risks. Alternatively, if a comprehensive compliance risk assessment has been performed during the preceding year, an update of that risk assessment may be performed to ensure that any new critical compliance risks are identified. For each institution critical compliance risk identified, a risk management plan should be developed which includes (1) a single responsible party, (2) a monitoring plan, (3) a specialized training plan, and (4) a reporting plan. The risk management plans for all institution critical compliance risks should be presented to the Institutional Compliance Committee for review and approval.</i></p>	Compliance Officer	Annually

Program Element	Responsible Party	Frequency
<p>7. Provide general compliance training for all employees and specialized compliance training for employees whose job responsibilities involve them in high-compliance-risk activities.</p> <p><i>Implementation Guidance: Training can be provided using a variety of methods including: face-to-face, web-based, and poster exhibits. Training records are the key monitoring data and should be retained. Summary reports should be provided to the Compliance Committee periodically.</i></p>	<p>Compliance Officer High-risk Area Responsible Party</p>	<p>Periodically – at a minimum of biennially</p>
<p>8. Submit a comprehensive annual report and other reports as required on compliance activities to the System-wide Compliance Officer in the prescribed format.</p>	<p>Compliance Officer</p>	<p>Annually - Periodically</p>
<p>9. Ensure that appropriate corrective and disciplinary action has been taken in the event of non-compliance.</p> <p><i>Implementation Guidance: The Compliance Officer should communicate identified events of noncompliance that require corrective and/or disciplinary action to appropriate administrative personnel. If the Compliance Officer believes that appropriate corrective or disciplinary action has not been taken, then the Compliance Officer should report his or her concerns to the Chief Administrative Officer. At that point, the Chief Administrative Officer is responsible for the appropriateness of the actions taken to resolve the compliance issue. Summary information on reported instances of suspected non-compliance (phone hotline, post office box, or web-form activities) should be presented at Compliance Committee meetings.</i></p>	<p>Chancellor Chief Administrative Officer</p>	<p>Ongoing</p>
<p>10. Establish a confidential mechanism that allows employees to report instances of suspected non-compliance outside of the normal chain of command and in a manner that preserves confidentiality and assures non-retaliation.</p> <p><i>Implementation Guidance: The most common and acceptable method of providing such a mechanism is the establishment of a compliance telephone hotline. The key elements of a confidential mechanism should include written documentation of all notifications received; a prompt cross-functional consultation and triage function (generally involving high-ranking representatives from the legal, security, internal audit, and human resources areas) to determine the need for and nature of appropriate investigative action; follow-up to assure timely and appropriate resolution of issues; and documentation of the ultimate disposition of all calls received.</i></p>	<p>Compliance Officer</p>	<p>Ongoing</p>

Program Element	Responsible Party	Frequency
<p>11. Maintain an up-to-date compliance manual that documents the compliance structure and the policies and procedures that pertain to the compliance program.</p> <p><i>Implementation Guidance: A manual should generally outline the responsibilities of the Institutional Compliance Committee and the Compliance Officer; include charters, policies, and procedures that pertain to the compliance program (including the telephone hotline policies and procedures); and include examples of monitoring and reporting forms. The manual should be a compilation of relevant materials maintained in either an electronic or hard copy format.</i></p>	Compliance Officer	Ongoing
<p>12. Annually develop a plan of activities to be completed by the Compliance Officer and/or Compliance Office.</p> <p><i>Implementation Guidance: The plan should include the activities to be conducted by the Compliance Officer during the next year and can include the development of training, websites, monitoring plans, and updating of policies and procedures.</i></p>	Compliance Officer	Annually
<p>13. Establish mechanisms for regular assessments of the compliance function.</p> <p><i>Implementation Guidance: This could include self-assessments, inspections, peer reviews (internal and external) and internal audits. In its risk assessment for preparing the annual audit plan, Internal Audit, in consultation with the Compliance Officer, should consider audits of various components of the compliance program. Recommendations for improvements should be made to the Compliance Officer and responsible party of the high-risk area, if applicable, based on the results of the assessments performed. The Compliance Officer or responsible party will be responsible for responding to such recommendations by developing action plans and timetables to be approved by the Institutional Compliance Committee. A follow-up process should be developed to ensure timely resolution, and the results should be reported to Institutional Compliance Committee.</i></p>	Compliance Officer	Periodically

RECESS TO EXECUTIVE SESSION (TEXAS GOVERNMENT CODE, CHAPTER 551)

1. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers - Texas Government Code Section 551.071
2. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees - Texas Government Code Section 551.074

U. T. System and U. T. Institutions: Evaluation and Duties of Employees Involved in Audit and Compliance Functions