UTD

THE UNIVERSITY OF TEXAS AT DALLAS

Office of the Provost

Audit Report No. 2608

January 28, 2026

Audit and Advisory Services
A Trusted Partner in Achieving University Excellence

audit.utdallas.edu

Executive Summary

Audit Objective
To assess the adequacy and effectiveness of the Office of the Provost's governance, risk management, and internal controls processes in supporting compliance, safeguarding resources, reliable and accurate information, the effective and efficient use of resources, and achieving strategic and operational objectives.

Primary Risk Type
Finance

Date of Last Audit
The Office of the Provost's operations have not been audited recently; however, within the past five years audits related to the Office have occurred in Faculty Hiring (Criminal Background Checks) in FY22, and Executive Travel and Entertainment in FY20.

Controls and Strengths
The Office of the Provost has established and maintains effective internal controls in following areas: • Conflict of interest compliance • Financial controls over expenditures

Overall Conclusion
Generally, the Office of the Provost has adequate and effective governance, risk management, and internal controls processes. However, controls over asset management and departmental procedures can be improved.

Observations by Risk Level
Management has reviewed the observations and has provided responses and expected implementation dates. Detailed information is included in the attached report.

Observation	Risk Level	Management's Implementation Date
1. Asset Management	Medium	August 3, 2026
2. Departmental Procedures	Low	August 3, 2026

For details about the audit procedures, explanation of risk levels, and report distribution, please see Appendices A, B, and C, respectively, in the attached report.

Detailed Audit Results

The following are reportable observations, listed in order of risk, noting opportunities to enhance controls in the areas of asset management and departmental procedures. A minor recommendation related to expenses was shared verbally with management. See Appendix B on page 9 for definitions of observation risk rankings.

1. Asset Management

Medium Risk: Lack of formal procedures and monitoring can lead to the loss or misuse of assets and can result in financial losses, reputational risks, and noncompliance with State and University regulations and policies.

Observation

The Office of the Provost is responsible for 121 assets, totaling $832,367.

Area	Number of Assets	Total	Comments
McDermott Suite	35	$541,214	Located in a library space used for formal events.
Office of the Provost	86	$291,153	Includes laptops, artwork, and other equipment used for office operations.

We tested controls over assets for effectiveness of processes, reliability of information, safeguarding, and compliance with applicable policies and procedures and noted the following observations:

- **McDermott Suite Assets**:
  - The Office of the Provost did not manage or monitor these assets; instead, the Inventory team reviewed them annually.
  - Four of ten assets tested were not in the correct location.
  - In response to the audit and these findings, the Office of the Provost conducted a review of all 35 assets and concluded that these assets should be reassigned to the Office of the President. Both offices have coordinated, and the assets have been transferred to the Office of the President.

- **Office of the Provost Assets:**
  - There are 38 pieces of artwork, totaling $173,728, that are located in a building shared with UT Southwestern. These assets are new to UTD and the Provost Office, and there are no procedures in place to manage these assets.
  - One of 15 assets tested was not currently in use.

Criteria & Cause

UTDBP3066 Property Administration states, "Each department head acts as the custodial authority for the personal property within his/her allocated area and is responsible for the stewardship and

maintenance of UTD property. It is important that accurate property control records be maintained, not only at the University level, but also at the departmental level."

The Office of the Provost was responsible for two areas of property but did not monitor the McDermott Suite assets.

Management's Action Plan
The Office of the Provost worked with Inventory to transfer the McDermott Suite Art to the Office of the President and closed area ID 210001 in December 2025. Additionally, we created a new area ID for the art held in the TI-BMES building on the UT Southwestern campus. The new area ID is 210009: Provost TI-BMES Art, and the 38 pieces of artwork have been transferred accordingly. We will next work to draft procedures for each area ID under the purview of the Office of the Provost, 210000 and 210009.

Action Plan Owner(s):	Due Date:
Heather Burge, Associate Provost for Administration	August 3, 2026

2. Departmental Procedures

Low Risk: Not having documented procedures for key processes increases the likelihood of operational inefficiencies, inconsistent practices, and unclear accountability.

Observation

The budget allocation process is documented across multiple sources, but the information is not formalized into a comprehensive procedure.

The Office of the Provost also does not have documented procedures that are unique to the department, including property (such as inventory tracking, asset transfers, and disposal) and administrative procedures (such as reconciliations, approvals, and reporting requirements). Also, job descriptions should be reviewed and updated, as necessary.

Criteria & Cause

Documented and written procedures are essential for maintaining effective internal control[1]. Formalized procedures promote consistency and standardization in operations, clarify roles and responsibilities, and support accountability within the department. They also serve as a reliable reference for training and onboarding, reducing reliance on institutional knowledge. Additionally, documented processes help ensure compliance with university policies and regulatory requirements, facilitate monitoring and continuous improvement, and provide a foundation for business continuity in the event of staff turnover or unexpected disruptions.

The Office of the Provost has gone through many transitions; due to this, written procedures have not been a priority.

Management's Action Plan

The Office of the Provost is reviewing existing procedures to ensure they are complete, consistent, and aligned with applicable university policies, standards, and oversight expectations. Where procedures are not currently documented, written procedures are being developed and formalized in accordance with institutional requirements and internal control best practices.

This work is being prioritized to reduce operational, financial, and compliance risk and to ensure continuity of operations. The phased approach allows the university to maintain stable operations while improving control effectiveness, procedural consistency, and ongoing accountability.

The following procedures have been identified as mission-critical or high-risk and will be fully reviewed, updated where appropriate, and documented:
- Inventory Management
- RA/TA Central Scholarship Review and Processing
- Faculty Hiring Guide
- Faculty, Administrator, and Endowed Chair Reviews (Tenure and Non-Tenure-Track)
- New Faculty Orientation
- Special Faculty Assignments
- Faculty Leave of Absence

---

[1] https://www.coso.org/_files/ugd/3059fc_1df7d5dd38074006bce8fdf621a942cf.pdf

|	
• Faculty Teaching Relief	
• Administrative Procedures (e.g., reconciliation, approval, and reporting requirements)	
Action Plan Owner(s):	**Due Date:**
Heather Burge, Associate Provost for Administration	August 3, 2026
Nicole Harrington, Assistant Provost for Academic Resource Planning	

Overall Conclusion

Generally, the Office of the Provost has adequate and effective governance, risk management, and internal controls processes. However, controls over asset management and departmental procedures can be improved.

Appendix A: Information Related to the Audit
Background

The Office of the Provost's mission is "To inspire innovation and academic excellence at UT Dallas by ensuring that the schools, centers and other units collaborate to provide exceptional instruction in a research-oriented setting." The Office employs 29 employees throughout the following departments: Faculty Affairs, Faculty Success, Academic Success and Innovation, Curricular Services, Academic Resource Planning, and Facilities. The Provost and Vice President for Academic Affairs reports directly to the President and oversees both the Office of the Provost and Academic Affairs. This audit only reviewed processes within the Office of the Provost.
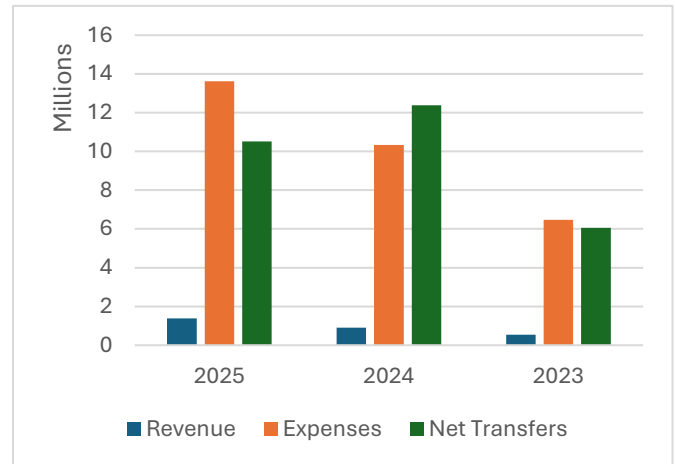
During fiscal year 2025, the Office of the Provost received $1.4 million in revenue from endowment distributions and grants, had $13.6 million in expenses, and received $10.5 million in net transfers. See the chart for additional information. [2]

Objective

To assess the adequacy and effectiveness of the Office of the Provost's governance, risk management, and internal controls processes in supporting compliance, safeguarding resources, reliable and accurate information, the effective and efficient use of resources, and achieving strategic and operational objectives.

Scope

The scope of the audit was fiscal year 2025. The audit began in June 2025 and concluded on December 16, 2025.

Methodology

The audit was conducted in conformance with the Institute of Internal Auditors' Global Internal Audit Standards™. Additionally, we conducted the audit in conformance with generally accepted government auditing standards (GAGAS) as applicable. Both standards are required by the Texas Internal Auditing Act, and they require that we plan and perform the audit to obtain sufficient, proper evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

[2] UTD Reporting Console, Operating Fund Balance and Budget

GAGAS also requires that auditors assess internal control when it is significant to the audit objectives. We used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework in assessing internal controls[3].

Our procedures included interviews, observations of processes, reviews of documentation, and testing. The following table outlines our procedures and observations for each of the audit area objectives performed.

Audit Area	Procedures	Observations Related to the Audit Area
Gaining an Understanding	Gained an understanding of the Office of the Provost by interviewing key responsible parties and reviewing policies, procedures, and other related documentation as considered necessary.	#2
Expenses	Tested controls over expenses for authorization, accuracy, documentation, and compliance with applicable policies and procedures.	N/A
Assets	Tested controls over assets for effectiveness of processes, reliability of information, safeguarding, and compliance with applicable policies and procedures.	#1
Conflict of Interest	Tested for compliance with UTD's Conflicts of Interest and Conflicts of Commitment policy and UTD's Research Conflict of Interest policy.	N/A

Follow-up Procedures

Though management is responsible for implementing the course of action outlined in the response, we will follow up on the status of implementation after the expected implementation dates. Requests for extension to the implementation dates may require approval from the UT Dallas Audit Committee. This process will help enhance accountability and ensure that prompt action is taken to address the observations.

---

[3] http://www.coso.org

Appendix B: Observation Risk Rankings

Audit observations are ranked according to the following definitions, consistent with UT System Audit Office guidance.

Risk Level	Definition
Priority	If not addressed immediately, a priority observation has a significant probability to directly affect the achievement of a strategic or important operational objective of UT Dallas or the UT System as a whole. These observations are reported to and tracked by the UT System Audit, Compliance, and Risk Management Committee (ACRMC).
High	High-risk observations are substantially undesirable and pose a high probability of adverse effects to UT Dallas either as a whole or to a division/school/department level.
Medium	Medium-risk observations are considered to have a moderate probability of adverse effects to UT Dallas either as a whole or to a division/school/department level.
Low	Low-risk observations are considered to have a low probability of adverse effects to UT Dallas either as a whole or to a division/school/department level.
Not Reportable	Some recommendations made during an audit are considered of minimal risk, and the observations are verbally shared with management during the audit or at the concluding meeting.

Appendix C: Report Submission and Distribution

We thank the Office of the Provost's management and staff for their support, courtesy, and cooperation provided throughout this audit.

Respectfully Submitted,

DocuSigned by:

Toni Stephens

26B49AE7B918458...

Toni Stephens, CPA, CIA, CRMA, Chief Audit Executive

Distribution List

Members and ex-officio members of the UT Dallas Institutional Audit Committee

Responsible Vice President(s)
Dr. Inga Musselman, Vice President for Academic Affairs and Provost

Action Plan Owner(s)
Ms. Heather Burge, Associate Provost for Administration
Ms. Nicole Harrington, Assistant Provost for Academic Resource Planning

External Parties
- The University of Texas System Audit Office
- Legislative Budget Board
- Governor's Office
- State Auditor's Office

Engagement Team
Project Manager: Mr. Luis Carrera, CPA, CIA, CISA, IT Audit Manager
Project Leader: Ms. Caitlin Cummins, Internal Auditor III