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FOR  
AUDIT, COMPLIANCE, AND RISK MANAGEMENT  
COMMITTEE**

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Austin, Texas

*Nolan Perez, Chairman  
Christina Melton Crain  
Jodie Lee Jiles  
Janiece Longoria  
Kelcy L. Warren  
Rad Weaver*

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<b>B. CONVENE JOINT MEETING WITH FINANCE AND PLANNING COMMITTEE</b>	1:15 p.m.		
4. <b>U.T. System: Fiscal Year 2025 Consolidated Annual Financial Report, including the Independent Auditor's Report, and audits of the financial statements of U.T. Austin, U.T.M.D. Anderson Cancer Center, U.T. Southwestern Medical Center, and U.T. Medical Branch - Galveston and for funds managed by The University of Texas/Texas A&amp;M Investment Management Company (UTIMCO)</b>	Report/Discussion <i>Mr. Pruitt Mr. Peppers Mr. Blake Rodgers Deloitte &amp; Touche</i>	Not on Agenda	26
<b>C. ADJOURN</b>	1:30 p.m.		

1. **U.T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration**

**RECOMMENDATION**

The Board will be asked to approve the Consent Agenda beginning on [Page 166](#).

**2. U.T. System: Approval of non-audit services to be performed by U.T. System's external audit firm, Deloitte & Touche LLP, for Inflation Reduction Act coordinating services to be utilized by any interested U.T. institution**

**RECOMMENDATION**

It is recommended that approval be given by the Audit, Compliance, and Risk Management Committee (ACRMC) for U.T. System's external audit firm, Deloitte & Touche LLP, to contract with U.T. System Administration and interested U.T. institutions for services to maximize Investment Tax Credits, IRA Grants, Tax Credit Funding, and other available benefits allowable under the Inflation Reduction Act.

**BACKGROUND INFORMATION**

The current external audit firm engaged by the U.T. System Board of Regents to provide audit services is Deloitte & Touche LLP. Audit services are those provided for the purpose of expressing an opinion on the financial statements of U.T. System or any of the institutions.

Regents' Rule 20402, Section 2.1, states, "The U.T. System and the institutions may not engage the external audit firm to perform non-audit services unless the proposed engagement is reviewed and approved by the ACRMC."

Institutions who engage for these services will provide the source funds. Additional information on this project was provided to members of the ACRMC prior to the meeting.

**3. U.T. System: Report on Systemwide internal audit activities, including update on internal audit strategy as mandated by the new Global Internal Audit Standards**

**REPORT**

The Global Internal Audit Standards includes a new requirement for the chief audit executive to develop and implement a strategy for the internal audit function that supports the organization's strategic objectives and aligns with the expectations of key stakeholders. Mr. Peppers will inform the Audit, Compliance, and Risk Management Committee of the actions taken to ensure conformance in this area using the PowerPoint set forth on the following pages. A summary of the Fiscal Year 2026 Annual Audit Plan status as of November 30, 2025, including Priority Observations, were provided to the Audit, Compliance, and Risk Management Committee members prior to the meeting.

# Global Internal Audit Standards – Strategic Planning

Mr. J. Michael Peppers, U.T. System Chief Audit Executive

U.T. System Board of Regents Meeting  
Audit, Compliance, and Risk Management Committee  
February 2026



The University of  
Texas System

## Overview

- Updated and articulated existing strategic plans
- Primary elements:
  - Purpose
  - Vision
  - Mission
  - Values
- Supported by:
  - Strategic Objectives
  - Supporting Initiatives



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Texas System

# Strategic Objectives

Continuous Improvement of Competencies and Capabilities

Reputation of Excellence and Innovation

Assurance & Advice  
on Governance, Risk Management, & Controls

Oversight of Internal Audit Functions

Supplemental Assistance & Resources

Collaboration & Sharing



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# Institutional Strategic Plans and Next Steps

- Additional Strategic Objectives:
  - Enhance risk management
  - Develop and integrate artificial intelligence and data analytics
  - Attract talent
  - Build relationships
  - Enrich institutional value
- Next steps:
  - Performance Measures



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4. **U.T. System: Fiscal Year 2025 Consolidated Annual Financial Report, including the Independent Auditor's Report, and audits of the financial statements of U.T. Austin, U.T.M.D. Anderson Cancer Center, U.T. Southwestern Medical Center, and U.T. Medical Branch - Galveston and for funds managed by The University of Texas/Texas A&M Investment Management Company (UTIMCO)**

See Item 1 of the Finance and Planning Committee.