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Committee Meeting: 2/18/2026

Board Meeting: 2/19/2026
Austin, Texas

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

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A. CONVENE	<i>1:00 p.m.</i> <i>Chairman Perez</i>		
1. U.T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration	Discussion	Action	19
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	Action <i>Mr. Peppers</i>	Not on Agenda	20
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/Discussion <i>Mr. Peppers</i>	Not on Agenda	21
B. CONVENE JOINT MEETING WITH FINANCE AND PLANNING COMMITTEE	<i>1:15 p.m.</i>		
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)	Report/Discussion <i>Mr. Pruitt</i> <i>Mr. Peppers</i> <i>Mr. Blake Rodgers</i> <i>Deloitte & Touche</i>	Not on Agenda	26
C. ADJOURN	<i>1:30 p.m.</i>		

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



Overview

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

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



The University of
Texas System

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

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.