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**Committee Meeting:** 8/12/2026

**Board Meeting:** 8/13/2026  
Austin, Texas

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

|                                                                                                                                                                                                                                                                                                                                                            | <b>Committee Meeting</b>                       | <b>Board Meeting</b> | <b>Page</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------|-------------|
| <b>Convene</b>                                                                                                                                                                                                                                                                                                                                             | 1:15 p.m.<br><i>Chairman Perez</i>             |                      |             |
| 1. <b>U.T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration</b>                                                                                                                                                                                                     | <b>Discussion</b>                              | <b>Action</b>        | <b>30</b>   |
| 2. <b>U.T. System: Approval of the U.T. Systemwide Annual Audit Plan for Fiscal Year 2027</b>                                                                                                                                                                                                                                                              | <b>Action</b><br><i>Mr. Peppers</i>            | <b>Action</b>        | <b>31</b>   |
| 3. <b>U.T. System: Discussion of Systemwide internal audit activities, including updates on the chief administrator travel, entertainment, and university residence maintenance expenses engagement, the Systemwide Cancer Prevention and Research Institute of Texas (CPRIT) grants assurance work, and the Fiscal Year 2026 Annual Audit Plan status</b> | <b>Report/Discussion</b><br><i>Mr. Peppers</i> | Not on<br>Agenda     | <b>45</b>   |
| <b>Adjourn</b>                                                                                                                                                                                                                                                                                                                                             | 1:45 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 144](#).

**2. U.T. System: Approval of the U.T. Systemwide Annual Audit Plan for Fiscal Year 2027**

Chief Audit Executive Peppers will present the proposed Fiscal Year 2027 U.T. Systemwide Annual Audit Plan (Audit Plan) using the PowerPoint set forth on the following pages and will recommend its approval. Development of the Audit Plan is based on risk assessments performed at each institution. Implementation of the Audit Plan will be coordinated with the institutional auditors. The Audit Plan executive summary and the detailed annual audit plans were provided to the Audit, Compliance, and Risk Management Committee members prior to the meeting.

**BACKGROUND INFORMATION**

Institutional audit plans, compiled by the internal audit departments after input and guidance from the U.T. System Audit Office, the Offices of Academic or Health Affairs, and the institution's management and institutional internal audit committee, were submitted to the respective institutional internal audit committee and institutional president for review and comments. Also, the U.T. System Chief Audit Executive provided feedback by conducting audit plan presentations with each institution. After the review process, each institutional internal audit committee formally approved its institution's audit plan.

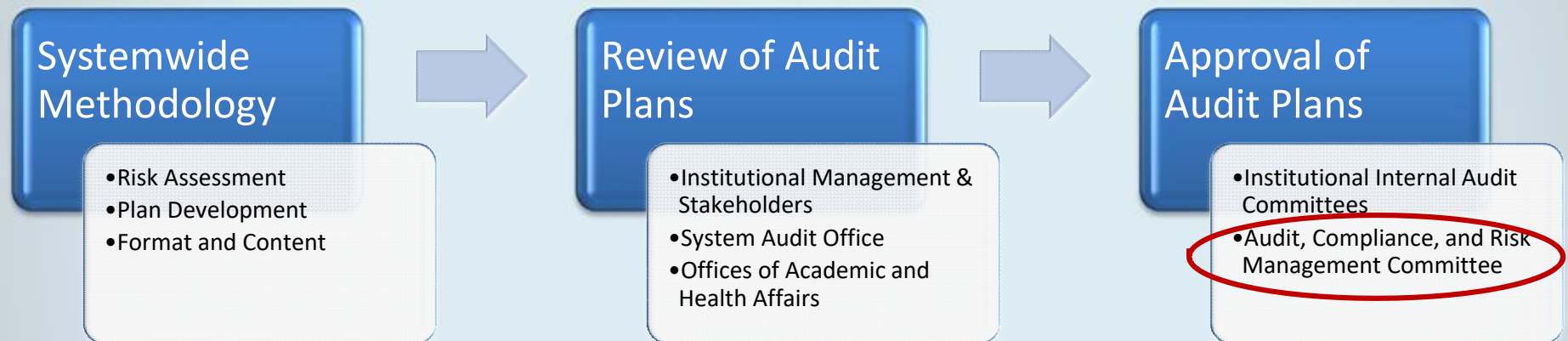
# U.T. Systemwide FY 2027 Annual Audit Plan

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

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



# Overall Annual Audit Plan Process

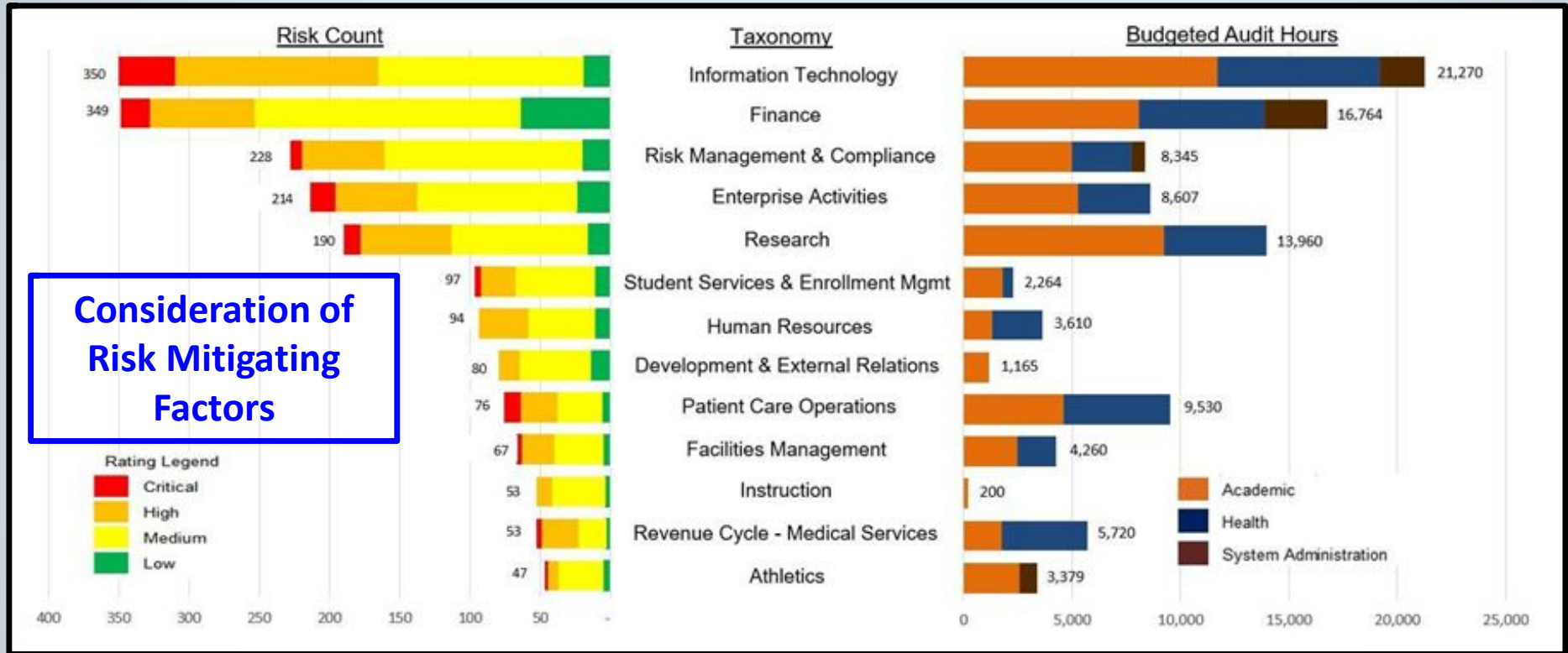


# Systemwide Annual Audit Plan Resource Allocation



\*Other Activities include hours for Investigations, Follow-Up on Action Plans, & Reserves

# Systemwide Risk Count vs. Audit Hours by Taxonomy



## Most Common Audit Plan Topics

### Export Controls & Foreign Influence

- Management of foreign collaborations in accordance with regulatory and institutional requirements
- Data protection controls over confidential research data

## Most Common Audit Plan Topics (cont.)

### Patient Care Operations

- Policies, processes, risks and controls for:
  - Patient care risk management
  - Physician & staffing management
  - Financial performance
  - Controlled substances management
  - Regulations compliance

## Most Common Audit Plan Topics (cont.)

### Policy Management

- Effectiveness of governance structures and risk management practices in various areas, including a focus on the use of artificial intelligence

## Most Common Audit Plan Topics (cont.)

### Purchasing/ Supply Chain

- Purchasing processes, policies, and controls for:
  - Contract execution and termination
  - Vendor activities and billing oversight
  - Supply chain resilience
  - Statutes/regulations compliance

## Most Common Audit Plan Topics (cont.)

### Construction

- Policies, processes, risks and controls for:
  - Timely completion of projects
  - Project monitoring of deliverables
  - Accurate billing
  - Change order/contract management

## Other Common Audit Plan Topics

Research  
Administration

Digital Accessibility

Research  
Compliance

Campus Security &  
Safety

Medical Services  
Revenue Cycle

Data Privacy

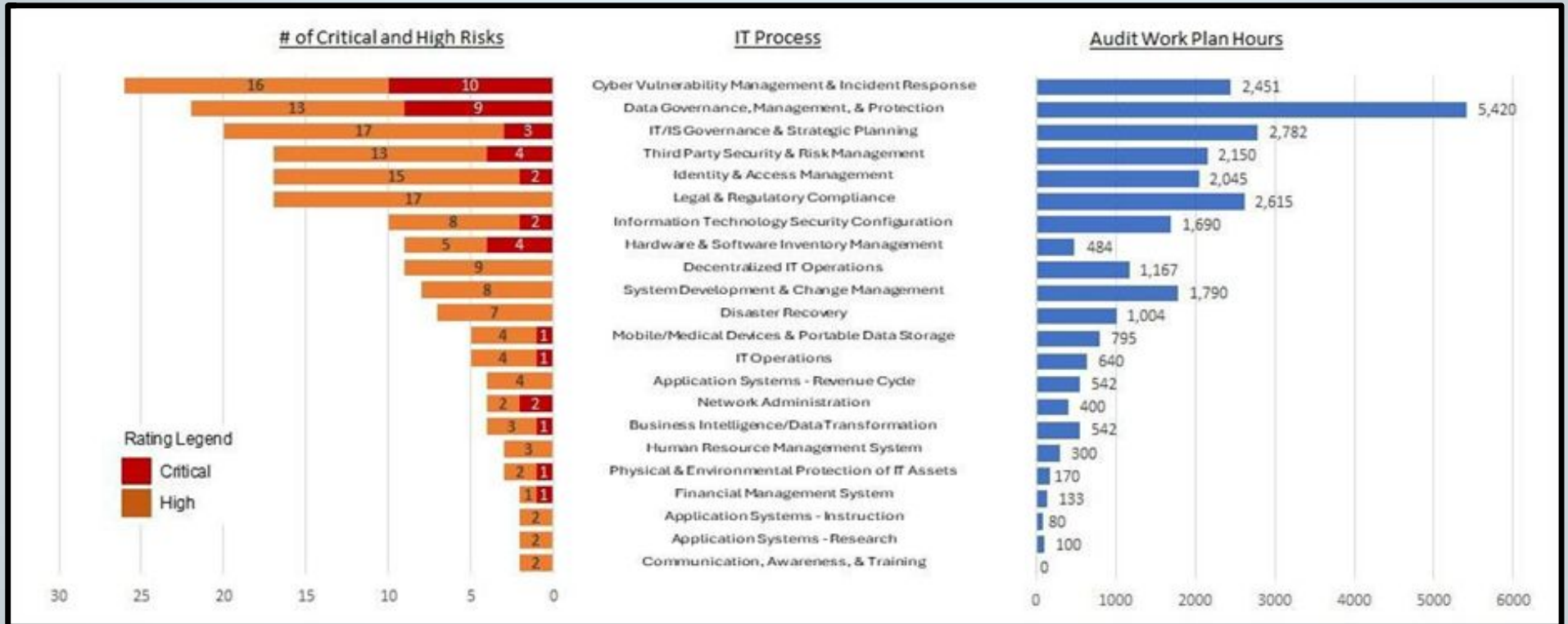
Account  
Reconciliation  
Segregation of  
Duties

Gifts &  
Endowments



The University of  
Texas System

# Systemwide IT Critical/High Risk Count vs. Audit Hours by IT Process



## Most Common Audit Plan Topics – IT

### Information Security

- Cyber vulnerability management and incident response
- Data governance, management, and protection
- Identity and access management

## Other Common Audit Plan Topics – IT

AI Governance,  
Data Protection,  
& Use

IT & Information  
Security  
Governance

Legal &  
Regulatory  
Compliance

Third Party  
Security & Risk  
Management

System  
Development &  
Change  
Management

3. **U.T. System: Discussion of Systemwide internal audit activities, including updates on the chief administrator travel, entertainment, and university residence maintenance expenses engagement, the Systemwide Cancer Prevention and Research Institute of Texas (CPRIT) grants assurance work, and the Fiscal Year 2026 Annual Audit Plan status**

Chief Audit Executive Peppers will report on the engagement of chief administrator travel, entertainment, and university residence maintenance expenses conducted by internal audit and on the assurance work performed of Cancer Prevention and Research Institute of Texas (CPRIT) grant activity at U.T. institutions conducted by external providers. Additionally, Mr. Peppers will provide an update on the Fiscal Year 2026 Annual Audit Plan status as of May 31, 2026. A summary of the chief administrator expenses audit and the CPRIT assurance work, as well as details on the plan status, including Priority Observations, were provided to the Audit, Compliance, and Risk Management Committee members prior to the meeting.

**BACKGROUND INFORMATION**

Deloitte & Touche LLP was engaged to conduct audits of FY 2025 CPRIT grant activity for seven U.T. institutions. Five other U.T. institutions engaged Weaver & Tidwell to perform agreed upon procedures of FY 2025 CPRIT grant activity.