

# **2024 UTA Internal Audit External Assessment**



# External Assessment Background

- Audit Standards require an external assessment of standards compliance every five years.
- Assessment was against standards published in 2017.
- Internal Audit performed a self-assessment with external validation.
- The Internal Audit department for the Department of Workforce Services performed our External Assessment, completed February 2025.



# Gaps of Conformance and Action Plans, page 1

1. The annual risk assessment is completed by the Enterprise Risk Management function at UTA, and the timing of the audit plan has not allowed for consideration of the annual risk assessment.
  - Agree. Issue identified in December 2023. Moved adoption of Audit Plans to March to accommodate the timing of Enterprise Risk Management's risk assessment.
  
2. The Internal Audit Function's policies and procedures have needed updated for a couple of years.
  - Agree. IA identified the issue in 2023 but purposely delayed because new standards were forthcoming. Procedure manual adopted in February 2025 aligned to the 2025 standards.



# Gaps of Conformance and Action Plans, page 2

## 3. Internal Audit has not audited the Enterprise Risk Management function

- Partially agree. Enterprise Risk Management was not fully implemented until 2024. The new standards no longer require this, but the topic will be considered for future audit plans.

## 4. Documentation retention for the Internal Audit function had not been formalized.

- Agree. We identified the issue in December 2023. Procedure manual lists document retention requirements. We completed training by the Records department in March 2025.



# Gaps of Conformance and Action Plans, page 3

5. The documentation for engagement supervision was not readily available.

- Agree. IA identified the issue in December 2023 and practices were improved. Review requirements are documented in procedure manual and now controlled by templates.

6. The monitoring of audit recommendations did not have a formal process.

- Agree. We began a more formal process starting with the December 2024 Audit Committee meeting. We have since partnered with Enterprise Risk Management to develop a robust and collaborative follow up process.



# Opportunities for Continuous Improvement and Action Plans, page 1

1. A third party provided assurance services over ethics controls.
  - Disagree. In 2023, Internal Audit outsourced an audit of controls we perform. This was the proper way to handle the situation and will do it again if the situation arises.
2. The Enterprise Risk Management Function completes the risk assessment, and internal audit must consider risk management as part of their due professional care.
  - Partially Agree. Internal Audit actively coordinates with Enterprise Risk Management on risk assessment activities. We will consider audits of the department as appropriate, but the new standards do not require such audits.



# Opportunities for Continuous Improvement and Action Plans, page 2

3. The lack of formally adopted policies and procedures leaves a gap in control for achieving the purpose and responsibilities outlined in the audit charter.

- Agree. IA identified the issue in 2023 but purposely delayed because new standards were forthcoming. Procedure manual adopted in February 2025 aligned to the 2025 standards.

4. The Chief Audit Executive has limited interaction with the external auditors.

- Agree. This Audit Committee we released our first assurance map, which is a strong step towards greater visibility of the actions of external auditors.

