

PROJECT PERFORMED

Internal Audit conducted a review of investments for UNT System, UNT, UNT Dallas, and UNTHSC for fiscal year 2018. This audit is required by the Public Funds Investment Act (PFIA) Texas Government Code, Section 2256.005 and UNT System Regulation 08.2000, Investment of System Funds.

The objectives of this audit were to provide assurance that controls surrounding the investing activities are effective and efficient, and to provide assurance of adherence with:

- System Regulation 08.2000
- UNT System Board of Regents Rule 10.100
- PFIA, including State Auditor's Office (SAO) Article III, Rider 5 reporting requirements

In order to achieve this, we reviewed relevant policies, procedures, and regulatory requirements. Additionally, we conducted interviews with appropriate personnel and performed substantive testing.

The project was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* and *Generally Accepted Government Auditing Standards*.

DISTRIBUTION LIST

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KEY OBSERVATIONS AND MANAGEMENT ACTIONS

There were no issues identified from this audit.

UNT System, UNT, UNT Dallas, and UNTHSC complied with UNT System Regulation 08.2000, UNT System Regents Rule 10.100, and the PFIA. Additionally, all components complied with the state's higher education investment reporting requirements, including SAO Article III, Rider 5 requirements.

We noted management has implemented controls to ensure compliance and to ensure accuracy and completeness of investment activity. Some of the controls include; implementation of a consistent format for quarterly investment reports, developing a compliance activity checklist, and implementation of a conflict of interest process.

Audit performed by: Gregory Kigen, Senior Financial Auditor

Audit reviewed by: Sheba Joyner, Senior Director of Internal Audit

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