



AUDIT OF

INVESTMENTS

Andrew S. Groover, CPA, CIA, CICA, CISA, CFE
Director of Internal Audits

Audited by:

Roy Mak, CISA, CICA
Assistant Director of Internal Audits

November 23, 2009
Report No. 10-03



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DATE: November 23, 2009

TO: Dr. Ann Stuart, Chancellor and President
Members of the Board of Regents

FROM: Roy Mak, CISA, CICA, Assistant Director of Internal Audits *RM*

RE: Audit Report of Investments

Our internal audit report of Investments follows. We would like to thank Robert Tuggle for his time and cooperation during the audit. The audit resulted in no recommendations.

C: Dr. Brenda Floyd
Robert Tuggle
Kelly McCullar
Debbie Aggus
Governor's Office of Budget and Planning
Legislative Budget Board
State Auditor's Office
Sunset Advisory Commission

TEXAS WOMAN'S UNIVERSITY

OFFICE OF INTERNAL AUDITS

Executive Summary

An audit was conducted of Texas Woman's University's (TWU) Investments. Our audit revealed that overall; TWU is in compliance with the Public Funds Investment Act (PFIA) (Government Code, Section 2256) and the TWU Investment Policies. Management controls on investments are effective and adhere to the TWU Investment Policies.

Overview

The PFIA provides guidance to state agencies related to investment policies, strategies, board and investment officer(s) responsibilities, standards of care, training of board members and investment officer(s), authorized investments, internal reporting requirements and other miscellaneous provisions. Investments reported in the Fiscal Year 2009 Annual Financial Report totaled \$195,324,955. The audit of Investments is required at least once every two years per section 2256.005 (n) of the PFIA.

Audit Objective

The objective of our audit was to review compliance with the Public Funds Investment Act (Government Code, Section 2256), management controls on investments, and adherence to the TWU Investment Policies.

Scope

The scope of our audit was fiscal year 2009. We performed our testing on a sample basis.

Methodology

We conducted our audit in accordance with the *International Standards for the*

Professional Practice of Internal Auditing and Government Auditing Standards, where applicable.

Primarily, we reviewed to ensure the following:

- The Annual Investment Report was submitted to the State Auditors' Office (SAO), Comptroller of Public Accounts, Legislative Budget Board (LBB) and the Governor. The report was prepared in the prescribed SAO format and is accurate.
- The annual and quarterly reports are published on the TWU website and in compliance with the PFIA.
- An Investment Officer has been appointed and has received the required continuing professional education.
- Each member of the Board has attended required training.
- There are written Investment Policies and the Board has reviewed and approved the policies annually. The policies are in compliance with the PFIA.
- There is a separate investment strategy adopted for each of the funds or group of funds under the University's control and it is in compliance with PFIA.
- Amounts reported in the FY2009 Annual Investment Report agree to the amounts reported in the FY2009 Annual Financial Report.
- Investment pools are rated no lower than AAA or AAA-m by at least one nationally recognized rating service.
- Investment firms are registered with the Texas State Securities Board.

Summary of Results

The audit resulted in no recommendations.



Roy Mak, CISA, CICA
Assistant Director of Internal Audits