



**AUDIT REPORT**

**OF**

**INVESTMENTS**

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

**Audited by:**

**Roy Mak, CIA, CISA, CICA**  
**Assistant Director of Internal Audits**

**December 10, 2015**  
**Report No. 16-01**



**Office of Internal Audits**  
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DATE: December 10, 2015

TO: Dr. Carine Feyten, Chancellor and President  
Members of the Board of Regents

FROM: Andrew S. Groover, M.Ed., CPA, CIA, CICA, CISA, CFE  
Director of Internal Audits *AG*

RE: Audit Report of Investments

Our internal audit report of Investments follows. We appreciate the cooperation and assistance provided to us by Carolyn Whitlock and her staff during the audit.

The audit resulted in no recommendations.

C: B.J. Crain, Interim Vice President for Finance and Administration  
Carolyn Whitlock, Associate Vice President – Finance, Controller, and  
Treasury  
Governor's Office of Budget and Planning  
Legislative Budget Board  
State Auditor's Office  
Sunset Advisory Commission

# TEXAS WOMAN'S UNIVERSITY

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## OFFICE OF INTERNAL AUDITS

### Executive Summary

***An audit was conducted of Texas Woman's University's (TWU) Investments. Our audit determined 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 2014 and Fiscal Year 2015 Annual Financial Report totaled \$218,230,549 and \$224,905,905, respectively. 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 2014 and fiscal year 2015. 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 determine 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.

- Annual and quarterly investment 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 received 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 the PFIA.
- Amounts reported in the FY 2014 and FY 2015 Annual Investment Reports agree to the amounts reported in the FY 2014 and FY 2015 Annual Financial Reports.
- 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 U.S. Securities and Exchange Commission and/or a State Securities Board.
- Contracts with investment firms do not exceed two years and contract renewals or extensions are approved by the Board.
- Compliance with the reporting requirements of the General Appropriations Act (84th Leg) - Special Provisions Relating Only to State Agencies of Higher Education 5. Investment Reports.
- Investments are diversified in compliance with the investment policies.

### Summary of Results

The audit resulted in no recommendations.



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Director of Internal Audits