

**The Texas A&M University System Internal Audit Department**

**INTERNAL AUDIT ANNUAL REPORT  
FOR FISCAL YEAR 2024**



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## **I. Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan and Internal Audit Annual Report on Internet Website**

Texas Government Code, Section 2102.015, requires state agencies and higher education institutions to post their annual internal audit plan and their internal audit annual report on their Internet website.

To comply with the requirements of Texas Government Code, Section 2102.015, the annual internal audit plan and the annual internal audit report are posted on the Internal Audit Department's Internet website.

## II. Internal Audit Plan for Fiscal Year 2024

Audit Title By System Member	Report #	Report Date
<b><i>Systemwide</i></b>		
Diversity, Equity, and Inclusion Compliance	20240101	7/17/2024
<b><i>A&amp;M System Offices</i></b>		
Facilities Planning and Construction	20240102	5/15/2024
<b><i>Texas A&amp;M University</i></b>		
College of Arts and Sciences – Information Technology	20240201	4/10/2024
Export Controls	20240202	4/10/2024
Payment Cards	20240203	10/16/2024
Recreational Sports	20240204	5/15/2024
School of Law – Information Technology	20240205	5/15/2024
School of Medicine Anatomical Gift Program	20240206	6/12/2024
University Health Services	20240207	In Progress
<b><i>Prairie View A&amp;M University</i></b>		
Athletics	20240501	In Progress
Health and Counseling Services	20240502	6/12/2024
Tuition and Fees	20240503	10/16/2024
<b><i>Tarleton State University</i></b>		
Health and Safety	20240401	10/16/2024
Texas Higher Education Coordinating Board Construction Audit Reporting	20240402	3/13/2024
<b><i>Texas A&amp;M International University</i></b>		
Tuition and Fees	20241601	7/17/2024
<b><i>Texas A&amp;M University-Central Texas</i></b>		
Information Technology	20242401	4/10/2024
<b><i>Texas A&amp;M University-Commerce</i></b>		
Programs for Minors	20242101	In Progress
<b><i>Texas A&amp;M University-Corpus Christi</i></b>		
Programs for Minors	20241501	3/13/2024
<b><i>Texas A&amp;M University-Kingsville</i></b>		
Programs for Minors	20241701	3/13/2024
Tuition and Fees	20241702	9/11/2024

Audit Title By System Member	Report #	Report Date
<b><i>Texas A&amp;M University-San Antonio</i></b>		
Information Technology	20242501	10/16/2024
Tuition and Fees	20242502	In Progress
<b><i>Texas A&amp;M University-Texarkana</i></b>		
Financial Management Services	20242201	10/16/2024
Information Technology	20242202	10/16/2024
<b><i>West Texas A&amp;M University</i></b>		
Financial Accounting System	20241801	8/14/2024
<b><i>Texas A&amp;M AgriLife Research</i></b>		
Financial Management Services	20240601	In Progress
<b><i>Texas A&amp;M AgriLife Extension Service</i></b>		
Financial Management Services	20240601	In Progress
Programs for Minors	20240701	5/15/2024
<b><i>Texas A&amp;M Engineering Experiment Station</i></b>		
Contract Administration	20242801	2/14/2024
Payroll	20242802	9/11/2024
<b><i>Texas A&amp;M Engineering Extension Service</i></b>		
Information Technology	20240901	7/17/2024
Payroll	20242802	9/11/2024
<b><i>Texas A&amp;M Transportation Institute</i></b>		
Payroll	20242802	9/11/2024
<b><i>Texas A&amp;M Veterinary Medical Diagnostic Laboratory</i></b>		
Financial Management Services	20240601	In Progress
<b><i>Texas Division of Emergency Management</i></b>		
State Disaster Reimbursement	20243001	In Progress

## **Deviations from Fiscal Year 2024 Audit Plan**

There were no deviations from the Fiscal Year 2024 Audit Plan.

The Texas A&M University System: Facilities Planning and Construction audit name was changed to The Texas A&M University System: Major Construction and Private Development Processes.

The Tarleton State University: Texas Higher Education Coordinating Board Construction Audit Reporting audit name was changed to Tarleton State University: Facilities Development Project Reporting to the Texas Higher Education Coordinating Board.

The Texas A&M Engineering Experiment Station: Payroll audit name was changed to Texas A&M Engineering Payroll. The audit included Texas A&M Engineering Extension Service and Texas A&M Transportation Institute.

## **Texas Education Code, Section 51.9337**

Based on a review of current Texas A&M University System policies, procedures, forms, and checklists, it was determined that the A&M System has adequately adopted the rules and policies required by Texas Education Code, Section 51.9337. Audits of purchases of goods and services by A&M System members, as determined by the annual risk-based audit plan, will assess compliance with these rules, policies, and additional contract controls.

### III. Consulting Services and Nonaudit Services Completed

Review Title	Report Number	Report Date	Objective(s)	Observations/Results and/or Suggestions
The Texas A&M University System  Review of the Chancellor's Century Council Account	20240103	October 2023	The objective was to determine if controls are in place to ensure expenditures from the foundation account supporting the Chancellor's Century Council are in accordance with the intended purpose.	Results of review were provided to management.
The Texas A&M University System  Review of System Discretionary Accounts	20240103	October 2023	The objective was to identify and document system member discretionary accounts held by the members' Chief Executive Officers.	Results of review were provided to management.
Texas A&M University  Review of Texas A&M University Concessions Account	20240103	October 2023	The objective was to determine if controls are in place to ensure expenditures from the Texas A&M University Concessions account are compliant with established system and university guidelines.	Results of review were provided to management.
The Texas A&M University System  Review of System Payments to the Texas Tribune	20240110	November 2023	The objective was to determine the amount paid by A&M System members to the Texas Tribune.	Results of review were provided to management.
The Texas A&M University System  Review of Consulting Contracts	20240104	October 2023	The objective was to identify and document key terms in A&M System contracts with consultants as of September 1, 2024.	Results of review were provided to management.
Texas A&M University-San Antonio  Change in Management Review – President	20232503	September 2023	The objective was to review and assess certain organizational, fiscal, and operational information to provide the incoming president with a current assessment of operations.	Suggestions for improvement were provided to the incoming president.

*The Texas A&M University System*  
*Internal Audit Annual Report for Fiscal Year 2024*

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<b>Review Title</b>	<b>Report Number</b>	<b>Report Date</b>	<b>Objective(s)</b>	<b>Observations/Results and/or Suggestions</b>
Texas A&M University-Central Texas  Change in Management Review – President	20232402	October 2023	The objective was to review and assess certain organizational, fiscal, and operational information to provide the incoming president with a current assessment of operations.	Suggestions for improvement were provided to the incoming president.



## **IV. External Audit Services Procured in Fiscal Year 2024**

### **The Texas A&M University System**

Audit of Easterwood Airport Passenger Facility Charge  
Quality Improvement Audit of The Texas A&M University System Flight Department

### **Texas A&M University**

Agreed-Upon Procedures for Intercollegiate Athletics Program  
Audit of Cancer Prevention & Research Institute of Texas Grant Program - TAMHSC  
Audit of Cancer Prevention & Research Institute of Texas Grant Program - Texas A&M  
Audit of KAMU - FM Radio Station Financial Statements  
Audit of KAMU - TV Station Financial Statements  
Audit of Texas A&M University Office in Mexico Financial Statements  
Review of Annual Security and Fire Safety Report

### **Prairie View A&M University**

Agreed-Upon Procedures for Intercollegiate Athletics Program

### **Tarleton State University**

Agreed-Upon Procedures for Intercollegiate Athletics Program

### **Texas A&M University-Commerce**

Agreed-Upon Procedures for Federal Financial Aid for SACSCOC Accreditation  
Agreed-Upon Procedures for Intercollegiate Athletics Program  
Audit of KETR – FM Radio Station Financial Statements  
Audit of Texas A&M University-Commerce Alumni Association Financial Statements  
Audit of Texas A&M University-Commerce Foundation Financial Statements  
Review of Texas A&M University-Commerce Financial Statements for SACSCOC Accreditation

### **Texas A&M University–Corpus Christi**

Agreed-Upon Procedures for Intercollegiate Athletics Program  
Review of Intercollegiate Athletics Compliance Systems

### **Texas A&M International University**

Agreed-Upon Procedures for Federal Financial Aid for SACSCOC Accreditation  
Agreed-Upon Procedures for Intercollegiate Athletics Program  
Review of Consolidated Financial Statements for SACSCOC Accreditation

### **Texas A&M University–Kingsville**

Audit of Student Financial Aid for SACSCOC Accreditation

### **Texas A&M University-Central Texas**

Agreed-Upon Procedures for Toward Excellence, Access & Success Grant Program and the Texas Public Educational Grant Program  
Audit of Student Financial Aid for SACSCOC Accreditation

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**West Texas A&M University**

Agreed-Upon Procedures for Intercollegiate Athletics Program

Audit of West Texas A&M University Foundation Financial Statements

**Texas A&M AgriLife Extension Service**

Audit of Stiles Farm Foundation Financial Statements

**Texas A&M Engineering Experiment Station**

Audit of Cancer Prevention & Research Institute of Texas Grant Program

**Texas A&M Research Foundation**

Audit of Texas A&M Research Foundation Financial Statements

## **V. External Quality Assurance Review (Peer Review)**

This section contains the most recent peer review report for the System Internal Audit Department, dated July 10, 2024.

July 10, 2024

Mr. Charlie Hrncir, CPA, Chief Auditor  
Texas A&M University System  
Moore/Connolly Building, 4<sup>th</sup> Floor  
301 Tarrow  
College Station, TX 77840

## Executive Summary

In April 2024, the System Internal Audit Department (SIAD) of the Texas A&M University System (TAMUS) completed a self-assessment of its internal audit activities for the period from May 1, 2021, through April 30, 2024. The objective of the review was to appraise the quality of its operations and provide reasonable assurance the internal auditing program conforms with the Texas Internal Auditing Act, the Institute of Internal Auditors' (IIA) *Code of Ethics* and *International Standards for the Professional Practice of Internal Auditing*, and the U.S. Government Accountability Office Generally Accepted Government Auditing Standards (GAGAS).

In acting as validators, we are fully independent of the organization and have the necessary knowledge and skills to undertake this engagement. The validation, conducted during June 2024, consisted of a review of SIAD's quality control processes, a review of documents prepared by the SIAD, an evaluation of SIAD work products from a sample of audit reports and files, and interviews with staff and selected stakeholders of the internal audit function (detailed list in Attachment A to this report).

Based on our independent validation of the self-assessment performed by SIAD, we agree with the overall conclusion the internal audit function "**Generally Conforms**" with the Texas Internal Auditing Act, the Institute of Internal Auditors' (IIA) *Code of Ethics* and *International Standards for the Professional Practice of Internal Auditing*, and the GAGAS (all together, the "*Standards*"). This rating is the top rating achievable and means the internal audit function has a charter, policies, and procedures in place to implement the standards and requirements necessary for ensuring the independence, objectivity and proficiency of the internal auditing program.

The following report contains a summary of our observations, including the successful practices we observed and any applicable opportunities to consider for enhancing the internal audit function.


We would like to thank you and your team for the cooperation and hospitality extended to us during the validation. Please do not hesitate to reach out to any of the team should you have any questions.

Sincerely,



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Douglas Horr, CIA, CCEP  
Chief Audit Executive  
Rutgers, The State University of NJ



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Chad Brackin, CPA, CFE  
Chief Auditor  
Louisiana State University

**Vijay Patel**

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Vijay Patel, CPA, CISA, CFE  
Chief Audit Executive  
Mississippi Institutions of Higher Learning

- c. Mr. John Sharp, Chancellor, TAMUS  
Mr. Michael Hernandez, Chair of the Committee on Audit  
TAMUS Board of Regents

## Overall Conclusion of the Independent Validation Team

Based on the on the information we received and evaluated, we agree with the overall conclusion the internal audit function “**Generally Conforms**” with the Texas Internal Auditing Act, the Institute of Internal Auditors’(IIA) *Code of Ethics* and *International Standards for the Professional Practice of Internal Auditing*, and the GAGAS in all material respects during the period under review.

The table below details the specific IIA Standards, Code of Ethics, GAGAS, and the validation team’s opinion of SIAD’s conformance to each section. The rating system on which our opinion is based is defined below the table.

Standard Type and Description	Opinion
<b><i>IIA Attribute Standards:</i></b>	
1000 Purpose, Authority, and Responsibility	Generally Conforms
1100 Independence and Objectivity	Generally Conforms
1200 Proficiency and Due Professional Care	Generally Conforms
1300 Quality Assurance and Improvement Program	Generally Conforms
<b><i>IIA Performance Standards:</i></b>	
2000 Managing the Internal Audit Activity	Generally Conforms
2100 Nature of Work	Generally Conforms
2200 Engagement Planning	Generally Conforms
2300 Performing the Engagement	Generally Conforms
2400 Communicating Results	Generally Conforms
2500 Monitoring Progress	Generally Conforms
2600 Communicating the Acceptance of Risks	Generally Conforms
<i>The Institute of Internal Auditors’ Code of Ethics</i>	Generally Conforms
Generally Accepted Government Auditing Standards	Generally Conforms

“**Generally Conforms**” - SIAD has a charter, policies, and procedures in place found to be in accordance with the standards, even if enhancement opportunities existed.

“**Partially Conforms**” - means deficiencies, while they might inhibit activities, did not prohibit SIAD from carrying out its responsibilities.

“**Does Not Conform**” – means deficiencies in practice were found to be significant enough to seriously impair or prohibit SIAD from carrying out its responsibilities.

## Successful Internal Audit Practices

The validation team noted several leading audit practices with regard to SIAD's activities. The following are those we noted to be the most prolific.

### *Independence and Objectivity (Standard 1100)*

SIAD's functional reporting to the Board of Regents is considered to be a strength of the office and deemed essential to their success. Our conversations with system executives up to and including the Board of Regents all disclosed the importance of SIAD's independence and the objectivity with which the audit team carries out their responsibilities.

### *Proficiency and Due Professional Care (1200)*

Given the Chief Auditor's recent notice of retirement, the validation team had numerous conversations with both system executives and staff regarding succession planning within SIAD. We were pleased to hear that SIAD directors and managers are all well-known and respected.

SIAD directors have made presentations at the Board level, and both are seen as viable candidates for the Chief Auditor's position by the Board and senior system officials. The importance of succession planning is an area emphasized in the new IIA standards effective in January 2025.

### *Communicating Results (Standard 2400)*

The team noted observations and recommendations are discussed in detail with clients to ensure value-added outcomes. We observed audit reports are strong but fair, with comments made at the appropriate level of management. We verified this through our interviews as well.

We observed that excellence in communications was not limited to just audit reports. SIAD's interactions with operational units appear to aid in enhancing the control culture throughout the university. These interactions have built a bond of trust between the university community and SIAD, as exemplified by statements recorded by the team and built into the word cloud on the following page.



### *Monitoring Progress (Standard 2500)*

Both administrators and staff noted how improvements in the follow-up process have not only helped with the effectiveness of implementing mitigation plans, but the efficiency with which SIAD was able to validate their execution.

Similarly, the validation team noted the consideration and implementation of opportunities noted for improvement by the last QAR team. Specifically the consideration of broader skills sets in recent hires to the department.

### **Gaps to Conformance**

Neither the SIAD nor the validation team identified any gaps to conformance.

### **Opportunities for Improvement**

SIAD has a mature and high performing audit function. Other than a discussion with SIAD management to assure they consider the new IIA and GAGAS standards moving forward we noted no opportunities for enhancement. The management team is already prepping for a working group to compare the IIA 2017 and 2025 standards to determine where there may be potential gaps and any needed enhancements. Similar work will be performed for the 2018 and 2024 GAGAS.



## Attachment A– Objectives, Scope, and Methodology

### Objective and Scope

As noted, the primary objective of this quality assessment (QA) review was to conduct an independent validation of the self-assessment performed by TAMU SIAD and provide reasonable assurance SIAD conforms with the *Standards*.

The scope and approach for independent validation included the SIAD activity as set forth in the internal audit charter which defines its purpose, authority, and responsibility. As noted, the basis for the QA review was for the 36-month period ending April 30, 2024.

### Methodology

Our methodology included the following:

- Interviewing stakeholders of the SIAD function including, but not limited to: clients, the Chancellor and key administrators from the system, the chair of the Board of Regents' Committee on Audit, the Chief Auditor and his staff.
- Reviewing documents demonstrating SIAD's independence including SIAD and Committee on Audit charters and organizational structure
- Reviewing all applicable materials associated with managing the internal audit function including, but not limited to: the annual risk assessment, audit plan, audit manual, follow-up reports, and Committee on Audit presentations.
- Reviewing the quality assurance and improvement program
- Reviewing the results of the previous external quality assurance review and status of the implementation of recommendations.
- Reviewing a sample of SIAD's work product, including audit reports
- Preparing the validation statement documenting our conclusions.

## **VI. Internal Audit Plan for Fiscal Year 2025**

This section includes the approved internal audit plan for fiscal year 2025.



**THE TEXAS A&M  
UNIVERSITY SYSTEM**

## **System Internal Audit Department**

### **Fiscal Year 2025 Audit Plan**

(Includes potential audits for FY 2026 and FY 2027)



**System Internal Audit Department  
Fiscal Year 2025 Audit Plan**  
(Includes potential audits for FY 2026 and FY 2027)

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The following are planned audits for the fiscal year 2025 audit plan. The list also includes potential audits for fiscal years 2026 and 2027 that will be formally approved in subsequent years' audit plans.

**A&M SYSTEM OFFICES**

**FY 2025**

Private Developments

**FY 2026 (Potential Audits)**

Available University Fund Reporting

Aviation

Cash and Investments

Environment Safety and Security

High Risk Global Engagements and International Collaborations Compliance

Title IX

**FY 2027 (Potential Audits)**

Information Technology

Research Compliance

Texas A&M Innovation

**TEXAS A&M UNIVERSITY**

**FY 2025**

Animal Care and Use

Anatomical Gift Program – School of Dentistry

Centers and Institutes

College of Arts & Sciences – Information Technology

Corps of Cadets

Information Technology Governance Practices

Student Organizations and Activities

Texas A&M University at Galveston – Information Technology

Veterinary Medical Teaching Hospital

**FY 2026 (Potential Audits)**

Accounts Receivable

Contract Administration

Human Research Protection Program

Mays Business School – Information Technology

Memorial Student Center and University Center

School of Engineering Medicine – Information Technology

School of Performance, Visualization, and Fine Arts – Information Technology



**System Internal Audit Department  
Fiscal Year 2025 Audit Plan**  
(Includes potential audits for FY 2026 and FY 2027)

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FY 2027 (Potential Audits)

- Athletics
- College of Agriculture and Life Sciences – Information Technology
- College of Engineering – Information Technology
- Division of Marketing and Communication – Information Technology
- School of Veterinary Medicine and Biomedical Sciences – Information Technology
- Service Department Rates
- Student Receivables

**PRAIRIE VIEW A&M UNIVERSITY**

FY 2025

- Research Administration

FY 2026 (Potential Audits)

- Contract Administration
- Financial Management Services
- Housing
- Programs for Minors

FY 2027 (Potential Audits)

- Health and Safety
- NCAA Compliance
- Student Information System

**TARLETON STATE UNIVERSITY**

FY 2025

- Financial Management Services
- Information Technology

FY 2026 (Potential Audits)

- Housing
- Research Administration

FY 2027 (Potential Audits)

- Athletics
- Contract Administration

**TEXAS A&M INTERNATIONAL UNIVERSITY**

FY 2025

- Programs for Minors



**System Internal Audit Department  
Fiscal Year 2025 Audit Plan**  
(Includes potential audits for FY 2026 and FY 2027)

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FY 2026 (Potential Audits)

- Athletics
- Facilities Development Reporting to the Texas Higher Education Coordinating Board \*
- Financial Management Services
- Health and Safety

FY 2027 (Potential Audits)

- Contract Administration
- Housing
- Student Information System

**TEXAS A&M UNIVERSITY–CENTRAL TEXAS**

FY 2025

- No planned audits

FY 2026 (Potential Audit)

- Tuition and Fees

FY 2027 (Potential Audits)

- Facilities Development Reporting to the Texas Higher Education Coordinating Board \*
- Student Information System

**TEXAS A&M UNIVERSITY–COMMERCE**

FY 2025

- Facilities Development Reporting to the Texas Higher Education Coordinating Board \*
- Health & Safety

FY 2026 (Potential Audits)

- Housing
- Information Technology

FY 2027 (Potential Audits)

- Athletics
- NCAA Compliance

**TEXAS A&M UNIVERSITY–CORPUS CHRISTI**

FY 2025

- Athletics
- Facilities Development Reporting to the Texas Higher Education Coordinating Board \*



**System Internal Audit Department  
Fiscal Year 2025 Audit Plan**  
(Includes potential audits for FY 2026 and FY 2027)

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FY 2026 (Potential Audits)

- Health and Safety
- Housing
- Research Administration

FY 2027 (Potential Audits)

- Contract Administration
- Financial Management Services
- NCAA Compliance

**TEXAS A&M UNIVERSITY–KINGSVILLE**

FY 2025

- Information Technology

FY 2026 (Potential Audits)

- Athletics
- Facilities Development Reporting to the Texas Higher Education Coordinating Board \*
- Health and Safety

FY 2027 (Potential Audit)

- NCAA Compliance

**TEXAS A&M UNIVERSITY–SAN ANTONIO**

FY 2025

- Financial Management Services

FY 2026 (Potential Audits)

- Contract Administration
- Facilities Development Reporting to the Texas Higher Education Coordinating Board \*
- Housing

FY 2027 (Potential Audits)

- Athletics
- Student Information System

**TEXAS A&M UNIVERSITY–TEXARKANA**

FY 2025

- Auxiliary Services
- Facilities Development Reporting to the Texas Higher Education Coordinating Board \*

FY 2026 (Potential Audit)

- Contract Administration



**System Internal Audit Department  
Fiscal Year 2025 Audit Plan**  
(Includes potential audits for FY 2026 and FY 2027)

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FY 2027 (Potential Audit)  
Programs for Minors

**WEST TEXAS A&M UNIVERSITY**

FY 2025  
Auxiliary Services  
Facilities Development Reporting to the Texas Higher Education Coordinating Board \*

FY 2026 (Potential Audits)  
Information Technology  
Payroll

FY 2027 (Potential Audit)  
Tuition and Fees

**TEXAS A&M AGRILIFE RESEARCH**

FY 2025  
Contract Administration

FY 2026 (Potential Audits)  
Payroll  
Transportation and Fleet

FY 2027 (Potential Audits)  
Animal Care and Use – Outside of Brazos County  
Health and Safety

**TEXAS A&M AGRILIFE EXTENSION**

FY 2025  
Contract Administration

FY 2026 (Potential Audits)  
Payroll  
Transportation and Fleet

FY 2027 (Potential Audit)  
Health and Safety

**TEXAS A&M ENGINEERING EXPERIMENT STATION**

FY 2025  
Centers and Institutes  
Financial Management Services





**System Internal Audit Department  
Fiscal Year 2025 Audit Plan**  
(Includes potential audits for FY 2026 and FY 2027)

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FY 2026 (Potential Audit)  
Information Technology

FY 2027 (Potential Audit)  
Export Controls

**TEXAS A&M ENGINEERING EXTENSION SERVICE**

FY 2025  
Export Controls

FY 2026 (Potential Audits)  
Contract Administration  
Health and Safety  
Learning Management and Student System  
Training and Training Support

FY 2027 (Potential Audits)  
Financial Management Services  
Sponsored Programs

**TEXAS A&M FOREST SERVICE**

FY 2025  
Contract Administration

FY 2026 (Potential Audits)  
Payroll  
Sponsored Programs

FY 2027 (Potential Audit)  
Transportation and Fleet

**TEXAS A&M TRANSPORTATION INSTITUTE**

FY 2025  
Information Technology

FY 2026 (Potential Audits)  
Export Controls  
Financial Management Services

FY 2027 (Potential Audit)  
Health and Safety



**System Internal Audit Department  
Fiscal Year 2025 Audit Plan**  
(Includes potential audits for FY 2026 and FY 2027)

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**TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY**

FY 2025

Contract Administration

FY 2026 (Potential Audit)

Payroll

FY 2027 (Potential Audit)

Health and Safety

**TEXAS DIVISION OF EMERGENCY MANAGEMENT**

FY 2025

No planned audits

FY 2026 (Potential Audits)

Export Controls

Information Technology

FY 2027 (Potential Audits)

Contract Administration

Health and Safety

\* These audits will be performed to fulfill requirements of the Texas Higher Education Coordinating Board's (THECB) Facility Audit Protocol for the members selected by THECB for facilities audits in the respective fiscal years.



**System Internal Audit Department  
Fiscal Year 2025 Audit Plan**  
(Includes potential audits for FY 2026 and FY 2027)

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The purpose of the audit plan is to outline audits and other activities the System Internal Audit Department will conduct during fiscal year 2025. The plan is developed to satisfy responsibilities established by the Board of Regents Bylaws, System Policy 10.01, *Internal Auditing*, Texas Government Code Section 2102.008, and applicable auditing standards. Deliverables for planned audits may include audit reports, technical assistance, data analysis, and other written and oral communications. The chief auditor is authorized to make changes to the plan to address changes in identified risks. The Committee on Audit and the chancellor will be notified of any significant additions, deletions, or other changes to the FY 2025 audits listed in this plan.

As part of the annual audit planning process, the System Internal Audit Department also identified potential audits for FY 2026 and FY 2027 working with A&M System and system member executive management. Changes to the list of potential audits for FY 2026 and FY 2027 will be communicated during the annual audit planning process in subsequent years.

The specific scope of each audit will be determined once the audit team has completed the planning process for the audit. This process includes consideration of the governance, risk management, and control processes that provide reasonable assurance that:

- Risks relating to the achievement of the system's strategic objectives are appropriately identified and managed.
- The actions of the system's officers, directors, employees, and contractors are in compliance with the system's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the system.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

## **Internal Audit Plan for Fiscal Year 2025**

### **Risk Assessment Methodology**

The development of our annual audit plan is based on a rigorous risk-based approach. Our process includes meeting with each A&M System member CEO and their executive team, as well as, members of the Chancellor's executive committee to obtain information on risks facing the A&M System in the upcoming 12 to 18 months. During the meetings financial, strategic, compliance, and other potential significant risk areas are discussed. Using information gathered from these meetings, our members' most recent enterprise risk management information, compliance plan information, and prior audit coverage, we analyze risks associated with over 300 auditable units. The auditable units include areas such as finance, research, information technology, auxiliary enterprises, student services, and health and safety. Also considered for the fiscal year 2025 audit plan were risks associated with benefits proportionality as described in Rider 8, page III-55, the General Appropriations Act (88th Legislature), contract administration as described in Government Code 2261, State Contracting Standards and Oversight and applicable information technology risks related to Title I, Texas Administrative Code, Chapter 202, *Information Security Standards*. Our plan is not a static document; risks may change during the year and audits may need to be added or cancelled due to changing risks. Any significant changes to the plan are communicated to the Committee on Audit.

This collection of information provides the means to assess the risks for the auditable units of each A&M System member, and ultimately prioritize the list of auditable units based upon their overall risk to the organization. Those auditable units with the highest calculated risk for the A&M System are included in the annual audit plan. The total budgeted hours for the audit plan is 32,400.

## **Internal Audit Plan for Fiscal Year 2025**

Listing of audits included in the fiscal year 2025 Audit Plan which address the following:

### *Benefits Proportionality*

**None**

### *Contract Management*

#### **A&M SYSTEM OFFICES**

Private Developments

#### **TEXAS A&M UNIVERSITY**

Anatomical Gift Program – School of Dentistry

College of Arts & Sciences – Information Technology

Texas A&M University at Galveston – Information Technology

Veterinary Medical Teaching Hospital

#### **PRAIRIE VIEW A&M UNIVERSITY**

Research Administration

#### **TARLETON STATE UNIVERSITY**

Information Technology

#### **TEXAS A&M UNIVERSITY–CORPUS CHRISTI**

Athletics

#### **TEXAS A&M UNIVERSITY–KINGSVILLE**

Information Technology

#### **TEXAS A&M UNIVERSITY–TEXARKANA**

Auxiliary Services

#### **WEST TEXAS A&M UNIVERSITY**

Auxiliary Services

#### **TEXAS A&M AGRILIFE RESEARCH**

Contract Administration

#### **TEXAS A&M AGRILIFE EXTENSION SERVICE**

Contract Administration

#### **TEXAS A&M FOREST SERVICE**

Contract Administration

#### **TEXAS A&M TRANSPORTATION INSTITUTE**

Information Technology

**TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY**  
Contract Administration

## **VII. Reporting Suspected Fraud and Abuse**

General Appropriations Act fraud reporting requirements:

Members of the A&M System have a link on their home page for reporting suspected fraud. The *Risk, Fraud & Misconduct Hotline* link directs an individual to the A&M System's vendor supported anonymous reporting hotline which informs individuals of methods to report fraud including a link to the State Auditor's Office Fraud Hotline website and toll-free telephone number.

The A&M System's policy and regulation on *Fraud Prevention* (<http://policies.tamus.edu/10-02.pdf> and <https://policies.tamus.edu/10-02-01.pdf> ) establish the responsibilities of the employees, management, and Internal Audit related to the prevention, deterrence, detection, and investigation of fraud.

Texas Government Code reporting requirements:

The Texas A&M University System Internal Audit Department is responsible for reviewing allegations of fraud. Internal Audit reports to the State Auditor's Office incidences that the department believes involve fraud, misappropriation, or misuse of funds received by the A&M System from the state.