The Texas A&M University System Internal Audit Department

Monthly Audit Report
August 12, 2026

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System Internal Audit

THE TEXAS A&M UNIVERSITY SYSTEM

TARLETON STATE UNIVERSITY

RESEARCH ADMINISTRATION

AUGUST 12, 2026

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Chief Auditor

Project #20260402

Overall Conclusion

Internal controls over research administration at Tarleton State University are operating as intended and in compliance with applicable laws and policies. Opportunities for improvement were noted in the areas of pre-award processes and financial conflict of interest disclosures and training.

Tarleton Research, Innovation and Economic Development reported research expenditures of $32.7 million on the 2025 Higher Education Research and Development survey. The division includes research development, grant management, research compliance services, research innovation and hosts the Small Business Development Center.

Summary Table

Audit Areas	Controls Assessment
Pre-Award Processes	Needs Some Improvement
Financial Conflict of Interest Disclosures and Training	Needs Some Improvement
Billings	Effective – No Observations
Cost Sharing	Effective – No Observations
Expenditures	Effective – No Observations
Maestro User Access	Effective – No Observations
Project Reporting	Effective – No Observations
Protocol Required Training	Effective – No Observations
Sub-Recipient Monitoring	Effective – No Observations

Management concurred with the audit recommendations and indicated that implementation will occur by the end of December 2026.

Detailed Results

1. Pre-Award Processes – Proposal Routing and Approval

Improvement is needed to ensure sponsored project proposals complete required routing before submission to sponsors. Six of 14 (43%) project proposals tested did not complete the principal investigator (PI), department head, and dean routing and approval process in Maestro before submission to the sponsor. Four of the six proposals were non-competitive contracts signed by the university before the required routing was completed. Although members of management were involved in the review process before sponsor submission, management did not document the approvals in accordance with written procedures.

The university's Pre-Award Operating Procedures require PIs, Co-PIs, department heads, and deans to approve proposals before submission to the sponsor. Additionally, University Standard Administrative Procedure 15.01.01.T0.01, *Preparation, Review, and Submission of Sponsored Projects*, requires that all proposed sponsored activities be approved by the university before submission to sponsors and specifies additional positions, in addition to the PI, Co-PI, department head, and dean, that must review proposals before submission. The university's practice is for approval by positions such as research, grant accountant, and contract specialist to occur after submission. Without timely and complete review, proposals may not be fully assessed before submission, and relevant parties may not be aware of university commitments.

Recommendation

Evaluate the process for routing and approving sponsored project proposals to ensure a comprehensive proposal review path is established. Update the Pre-Award Operating Procedures to reflect routing requirements, including proposals that may require a varied routing path, such as those participating in cost sharing or joint proposals. Revise University Standard Administrative Procedure 15.01.01.T0.01 to align with the updated procedures as needed when the next revision to the corresponding A&M System regulation is completed. Monitor to ensure the routing and approval of proposals occurs as required by university procedures.

Management's Response

Corrective Action: Grant Management will evaluate and update the internal PreAward SOP to address needed improvements in the current approved practices

for proposal routing and approval, to include working with Maestro to update the Maestro proposal routing pathway. Additionally, following System completion of the revision to TAMUS Policy 15.01.01, Grant Management will collaborate with University Compliance to update the internal SAP 15.01.01.TO.01 to align with system policy and internal processes. Monitoring will occur to ensure the process is functioning as planned and appropriate approvals are secured as required in the updated procedures.

Position Responsible: AVP, Grant Management

Implementation Date: 12/31/2026

2. Financial Conflict of Interest Disclosures and Training

Improvement is needed to ensure financial conflict of interest (FCOI) disclosures and training are properly assigned and completed. Of the 34 investigators tested, ten (29%) did not complete the required annual FCOI disclosure, and six (18%) did not complete the required FCOI training. Positions requiring FCOI disclosure and training are identified in Maestro to initiate assignments; however, Maestro does not automatically update FCOI requirements when employees move into positions requiring disclosure or training. Although these settings can be updated manually, inaccurate settings were not always identified. As a result, some investigators were not assigned the required disclosures or training. In other instances, the disclosure requirement had been updated in Maestro, but the investigator did not complete the disclosure.

System Policy 15.01.03*, Financial Conflicts of Interest in Sponsored Research*, requires investigators to submit a disclosure statement within 30 days of their initial employment and annually based on prior disclosure date. Additionally, the policy requires each investigator to complete training on the policy before engaging in research and at least once every four years thereafter. A commitment to conducting ethical research includes ensuring research activities are objective and free from bias and influence that may result from financial conflicts of interest.

Recommendation

Management should continue working with Maestro administration to review the FCOI disclosure and training assignment processes to identify potential enhancements. Written project set up procedures should be expanded to specify which employee positions should be listed in Maestro, which individuals are required to complete FCOI disclosures and training, and how to verify FCOI

settings have been properly updated as needed. During project setup, management should confirm that required FCOI disclosures and training have been assigned and completed. Management should also use reports to periodically monitor annual completion of FCOI disclosures and required FCOI training.

Management's Response

Corrective Action: Research Compliance and Grant Management will implement an interim manual process to address current FCOI-related inconsistencies in Maestro while collaborating with the Maestro team to develop an automated solution. Responsible staff from Tarleton State, TAMU and TEES met with the Maestro team on July 6, 2026, to begin this collaboration. Grants Management will establish FCOI requirements at proposal and award activation and issue notifications for required disclosures and TrainTraq training. The FCOI Compliance Office will review disclosure and training completion, conduct periodic compliance monitoring, and follow up with noncompliant personnel.

Position Responsible: AVP, Grant Management and FCOI Official

Implementation Date: 12/31/2026

Basis of Audit

Objective, Scope, & Methodology

The overall objective of this audit was to determine if internal controls over research administration are operating as intended and in compliance with laws and policies.

The audit focused on the following areas:

- Pre-award processes
- Financial conflict of interest disclosures and training
- Billings
- Cost sharing
- Expenditures
- Maestro user access
- Project reporting
- Protocol required training
- Sub-recipient monitoring

The audit period was primarily September 1, 2024 to May 31, 2026. Fieldwork was conducted from February 2026 to June 2026.

Our audit methodology included gaining an understanding of processes in place through interviews, observation, and review of documentation as well as testing of data using sampling as follows:

Audit Objective	Methodology
Pre-Award Processes Determine whether pre-award processes for sponsored projects are in compliance with applicable A&M system and university requirements.	Auditors judgmentally selected a nonstatistical sample of 14 sponsored project proposals initiated during the audit period and tested for compliance with applicable pre-award requirements.
Financial Conflict of Interest Disclosures and Training Determine whether investigators have completed required financial	Auditors judgmentally selected a nonstatistical sample of 10 research projects and 11 research compliance protocols. For 34 investigators associated with these projects and proposals, the auditor confirmed

Audit Objective	Methodology
disclosures and conflict of interest training.	required financial conflict of interest disclosures were submitted and related training was completed.
Billings Determine whether sponsored project billings are in compliance with sponsor guidelines and applicable A&M system and university requirements.	Auditors judgmentally selected a nonstatistical sample of 15 sponsored research projects and tested one invoice from each project to ensure that payment was remitted and recorded, the payment amount matched FAMIS, and all required documentation was included.
Cost Sharing Determine whether cost sharing processes are in compliance with sponsor guidelines and applicable A&M system and university requirements.	Auditors selected all three sponsored projects with mandatory cost sharing during the audit period and tested for compliance with applicable cost sharing requirements.
Expenditures Determine whether sponsored project expenditures are in compliance with sponsor guidelines and applicable A&M system and university requirements.	Auditors judgmentally selected a nonstatistical sample of eleven sponsored projects and tested 31 expenditures and 28 cost transfers selected from those projects for compliance with applicable expenditure and cost transfer requirements.
Maestro User Access Determine whether Maestro user account access is removed for terminated employees.	Auditors obtained the Maestro user access listing and tested to ensure individuals with high-level access were active employees.
Project Reporting Determine whether sponsored project reporting is in compliance with sponsor requirements.	Auditors judgmentally selected a nonstatistical sample of 10 active sponsored research projects and reviewed documentation to ensure

Audit Objective	Methodology
	required reports were completed in compliance with sponsor requirements. Auditors judgmentally selected a nonstatistical sample of 10 closed research projects and reviewed documentation to determine that required final financial reports were completed in compliance with sponsor requirements.
Protocol Required Training Determine whether research compliance protocol training is being completed in compliance with applicable A&M system and university requirements.	Auditors judgmentally selected a nonstatistical sample of 11 compliance protocols and reviewed the training records for the principal investigator and up to two additional employees associated with each protocol to confirm that required protocol training was completed.
Sub-Recipient Monitoring Determine whether sponsored project sub-recipients are monitored in compliance with sponsor guidelines and applicable A&M system and university requirements.	Auditors judgmentally selected a nonstatistical sample of seven sponsored projects with sub-awards and tested all sub-recipients on each project for compliance with applicable sub-recipient monitoring requirements.

Controls Assessment Classification

Audit areas highlighted in red in the Summary Table are considered to have significant weaknesses in internal controls. Significant weaknesses include errors, deficiencies or conditions which result in one or more violations of internal controls, laws, A&M System policies, or member rules. These violations have a high probability for legal consequences, financial consequences, or negative impacts to the organization's reputation. These are situations in which a CEO, Provost, Vice President, Dean, or Director need to be involved in the problem resolution.

Audit areas highlighted in yellow in the Summary Table are considered to have notable weaknesses in internal controls. Notable weaknesses include errors, deficiencies or conditions which result in minor to moderate noncompliance with internal controls, laws, A&M System policies, or member rules. These are situations which can and should be corrected at the department or supervisor level.

Audit areas highlighted in green in the Summary Table are considered to have effective internal controls.

Items that were not significant or notable were communicated to management during the audit.

Criteria

Our audit was based upon the following:

- Texas A&M University System Policies and Regulations
- Tarleton State University Rules and Standard Administrative Procedures
- Tarleton Pre-Award and Post-Award Grant Administration Standard Operating Procedures
- Other sound administrative practices

The audit was conducted in conformance with the Institute of Internal Auditors' *Global Internal Audit Standards*. Additionally, we conducted the audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The Office of Internal Audit is independent per the GAGAS standards for internal auditors.

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