THE TEXAS ★ STATE UNIVERSITY SYSTEM

Internal Audit Annual Report
The Texas State University System
Office of Internal Audit

Fiscal Year Ending August 31, 2024

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

Texas Government Code Section 2102.015 requires state agencies and higher education institutions to post certain information on their internet websites. The Texas State University System (TSUS) Office of Internal Audit ensures compliance with Section 2102.015 through the following procedures:

➢ Posting its annual audit and compliance plan to the Office of Internal Audit webpages of the TSUS and components' websites within 30 days after formal approval by the Board of Regents ("the Board"). The Fiscal Year 2025 Audit and Compliance Plan was approved by the Board on August 9, 2024, and has been posted as required.

➢ Posting this *Internal Audit Annual Report for Fiscal Year 2024* to the Office of Internal Audit webpages of the TSUS and components' websites within 30 days of distributing the report to the Finance & Audit Committee of the Board.

➢ Including in the quarterly board materials, posted on the TSUS website, a detailed summary of the weaknesses, deficiencies, wrongdoings, or other concerns raised by audit and compliance plan projects and a detailed summary of the actions taken by management to address resultant recommendations.

The TSUS Office of Internal Audit reserves the right to not post information contained in the audit and compliance plan, reports, or this *Internal Audit Annual Report* if the information is exempt from public disclosure under Chapter 552 of the Texas Government Code.

II. Audit and Compliance Plan for Fiscal Year 2024

The TSUS Office of Internal Audit (OIA) prepares a consolidated audit and compliance plan ("Plan") for System Administration and its components. The following is a listing of all projects included in the Plan for Fiscal Year 2024, amended to include the status of the projects as of August 31, 2024 (except where noted), the report titles, report numbers (if applicable), and dates the reports were issued to external oversight entities. For delegated audit project liaison activities, the date listed indicates when the resultant report was submitted to the State Auditor's Office. For all other liaison activities, the date listed indicates when the resultant report was provided to the Board.

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LAMAR UNIVERSITY
STATUS OF PROJECTS IN FISCAL YEAR 2024 AUDIT AND COMPLIANCE PLAN

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Project/Activity	Status, Report Title/Report Number, and Date Issued to External Oversight Entities
IT - On-Going	On-going. Activity does not result in a report.
Pandemics Survey	Completed. Internal Management Advisory Letter - Safety and Security Initiative – Updated Pandemic Preparedness Results, 3-18-2024.
Drug Free	Completed. Internal Management Advisory Letter - Drug Free Schools Act, 6-18-2024.
Mental Health Information	Completed. Internal Management Advisory Letter - Mental Health Information, 6-18-2024.
Employee Training	Completed. Internal Management Advisory Letter – Required Employee Training, 6-26-2024.
Student Organizations Risk Management	Completed. Internal Management Advisory Letter - Student Organizations: Risk Management, 6-26-2024.
THECB Facilities Audit	Completed. Texas Higher Education Coordinating Board Facilities Audit (Internal Audit Portion), LU 24-003, 7-19-2024.
SB 20 - Annual Review	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2024, 8-30-2024.
SB 20 - Contract Administration	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2024, 8-30-2024.
Mental Health Resources	In progress.
Pregnant and Parenting Students	In progress.
Follow-Up Reviews	On-going. Results posted in Board Book materials and on the TSUS webpage every quarter during the 2024 Fiscal Year.
Annual Risk Assessment and Audit Plan	Completed. Activity does not result in a written report; rather, it results in the annual Audit and Compliance Plan. The *Fiscal Year 2025 Audit and Compliance Plan* is posted on the TSUS and components' webpages.
Internal Audit Annual Report	Completed. Internal Audit Annual Report, Texas State University System, 10-16-2023.

Continuing Education	Completed. Activity does not result in a report.
Special Projects	➢ Senate Bill 17, Board request. Completed, Senate Bill 17 Audit Report, 8-9-2024. ➢ EthicsPoint #104 – closed. ➢ EthicsPoint #105 – closed. ➢ EthicsPoint #106 – in progress. ➢ Hotline 05-844-026 – in progress. ➢ Hotline 05-867-469 – in progress. ➢ Hotline 05-880-602 – in progress. ➢ Hotline 05-964-007 – in progress. ➢ Hotline 05-916-678 – in progress. ➢ State Auditor's Office Complaint 000004680 – in progress. ➢ State Auditor's Office Complaint 000004324 – in progress. ➢ State Auditor's Office Complaint 000004626 – in progress.
Respond to System Administration Requests	On-going. Activity does not result in a report.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the Office of Internal Audit. ➢ Weaver, Intercollegiate Athletics Program Agreed-Upon Procedures Year Ended August 31, 2023 (Audit Delegation 734-2023-001), 3-4-2024. ➢ Mitchell T. Fontenote, CPA, Inc., KVLU – FM Radio, Financial Statements Together With Auditor's Report, August 31, 2023 and 2022 (Audit Delegation 734-2023-002), 3-28-2024. ➢ THECB, Appropriation Year 2022 A-133 Desk Review, 9-29-2023. ➢ THECB Facilities Audit (Peer Review Combined Report), 7-19-2024. ➢ State Comptroller's Office, Controls Over Expenditures Processing Statewide Desk Audit - in progress. ➢ State Auditor's Office, Statewide Single Audit Compliance Follow-up - in progress. ➢ State Auditor's Office, Schedule of Federal Assistance Fiscal Year 2024 – in progress.

STATUS OF PRIOR YEAR PROJECTS

Project/Activity	Report Title/Report Number, and Date Issued to External Oversight Entities
Security Awareness and Training	Completed. LU-2024-001, Security Awareness and Training Audit, 9-21-2024.
Quality Assurance Self-Assessment	In progress.
Special Projects	➢ State Auditor's Office Complaint 22-0249 – in progress. ➢ Facilities Timekeeping – completed, Management Advisory Letter, Facilities Management Time Reporting Investigation, LU-23-004, 12-12-2023.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the Office of Internal Audit. ➢ State Auditor's Office Statewide Single Audit – Federal Compliance for Fiscal Year 2023 and an Audit of the Schedule of Expenditures of Federal Awards for Fiscal Year 2023, 2-23 & 28-2024.

SAM HOUSTON STATE UNIVERSITY
STATUS OF PROJECTS IN FISCAL YEAR 2024 AUDIT AND COMPLIANCE PLAN

Project/Activity	Status, Report Title/Report Number, and Date Issued to External Oversight Entities
Enrollment Technologies Audit	In progress.
Pandemics Survey	Completed. Internal Management Advisory Letter - Safety and Security Initiative – Updated Pandemic Preparedness Results, 3-18-2024.
Drug Free	Completed. Internal Management Advisory Letter - Drug Free Schools Act, 6-18-2024.
Mental Health Information	Completed. Internal Management Advisory Letter - Mental Health Information, 6-18-2024.
Employee Training	Completed. Internal Management Advisory Letter – Required Employee Training, 6-26-2024.
Student Organizations Risk Management	Completed. Internal Management Advisory Letter - Student Organizations: Risk Management, 6-26-2024.
College of Osteopathic Medicine - Joint Admission Medical Program	Completed. Appropriateness of Joint Admission Medical Program Expenditures for the College of Osteopathic Medicine, SHSU-24-002, 10-27-2023.
First Generation Center Review	Completed. Internal Memorandum to President, 12-20-2023.
NCAA Compilation	Completed. NCAA Financial Statement Compilation (Fiscal Year 2023), SHSU-24-001, 2-19-2024.
THECB Facilities Audit	Completed. 2024 SHSU Institution Facilities Audit Report (Peer Review and Internal Audit Portions Combined), 4-18-2024.
College of Osteopathic Medicine – Anatomy Lab	Completed. College of Osteopathic Medicine (COM) Anatomy Lab, SHSU-24-007, 4-24-2024.
Nursing Shortage Reduction Program	Completed. 2019 Nursing Shortage Reduction Program – Over 70, SHSU-24-005, 4-30-2024.
SB 20 - Annual Review	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2024, 8-30-2024.
SB 20 - Contract Administration	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2024, 8-30-2024.
Mental Health Resources	In progress.

Pregnant and Parenting Students	In progress.
Follow-Up Reviews	On-going. Results posted in Board Book materials and on the TSUS webpage every quarter during the 2024 Fiscal Year.
Annual Risk Assessment and Audit Plan	Completed. Activity does not result in a written report; rather, it results in the annual Audit and Compliance Plan. The *Fiscal Year 2025 Audit and Compliance Plan* is posted on the TSUS and components' webpages.
Internal Audit Annual Report	Completed. Internal Audit Annual Report, Texas State University System,10-16-2023.
Continuing Education	Completed. Activity does not result in a report.
Special Projects	➢ Senate Bill 17, Board request. Completed, Senate Bill 17 Audit Report, 8-9-2024. ➢ EthicsPoint #47 – closed. ➢ EthicsPoint #48 – closed. ➢ SHSU Hotline 05-849-489 – closed. ➢ SHSU Hotline 05-875-025 – referred to Title IX – closed. ➢ SHSU Hotline 05-876-625 – referred to Human Resources - closed. ➢ SHSU Hotline 05-879-206 – referred to Human Resources - closed. ➢ SHSU Hotline Email – referred to the Office of General Counsel - closed. ➢ SHSU Hotline 05-912-165 – in progress. ➢ SHSU Hotline 05-912-514 – in progress. ➢ SHSU Hotline 05-912-517 – in progress. ➢ SHSU Hotline 05-912-519 – in progress. ➢ SHSU Hotline 05-912-525 – in progress. ➢ SHSU Hotline 05-942-300 – closed. ➢ SHSU Hotline 05-950-456 – referred to University Police - in progress. ➢ SHSU Hotline 05-950-657 – referred to University Police – in progress. ➢ Evaluated options for audit management software systems for consideration by the Chief Audit Executive.
Respond to System Administration Requests	On-going. Activity does not result in a report.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the Office of Internal Audit. ➢ Belt Harris Pechacek, LLLP - Independent Accountants' Report on the Application of Agreed-Upon Procedures, National Collegiate Athletic Association (NCAA) Compliance For the Year Ended August 31, 2023 (Audit Delegation 753-2024-001), 2-27-2024. ➢ Belt Harris Pechacek, LLLP - Charter School Annual Financial Statements For the Year Ended August 31, 2023 (Audit Delegation 753-2023-002), 1-8-2024. ➢ THECB Facilities Audit - 2024 SHSU Institution Facilities Audit Report (Peer Review and Internal Audit Portions Combined), 4-18-2024. ➢ State Comptroller's Office, Controls Over Expenditures Processing Statewide Desk Audit - in progress. ➢ State Auditor's Office, Statewide Single Audit Compliance Follow-up - in progress.

	➢ State Auditor's Office, Schedule of Federal Assistance Fiscal Year 2024 – in progress. ➢ Governor's Office, Public Safety Grant, in progress. ➢ Department of Veterans Affairs Compliance Review, 7-8-2024.

STATUS OF PRIOR YEAR PROJECTS

Project/Activity	Report Title/Report Number, and Date Issued to External Oversight Entities
4+1 Teaching Program	Deferred until risks warrant further review.
Special Projects	➢ Anonymous Complaint, Rodeo Activities – closed. ➢ State Auditor's Office Complaint #20-0218 – closed.
Quality Assurance Self-Assessment	In progress.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the Office of Internal Audit. ➢ State Auditor's Office Statewide Single Audit – Federal Compliance for Fiscal Year 2023 and an Audit of the Schedule of Expenditures of Federal Awards for Fiscal Year 2023, 2-23 & 28-2024. ➢ Texas Education Agency - Charter School, in progress. ➢ Premiere Group - High-Intensity Drug Trafficking Areas Program Grant, 10-27-2023. ➢ Small Business Development Center (University of Houston), in progress.

SUL ROSS STATE UNIVERSITY
STATUS OF PROJECTS IN FISCAL YEAR 2024 AUDIT AND COMPLIANCE PLAN

Project/Activity	Status, Report Title/Report Number, and Date Issued to External Oversight Entities
Pandemics Survey	Completed. Internal Management Advisory Letter - Safety and Security Initiative – Updated Pandemic Preparedness Results, 3-18-2024.
Drug Free	Completed. Internal Management Advisory Letter - Drug Free Schools Act, 6-18-2024.
Mental Health Information	Completed. Internal Management Advisory Letter - Mental Health Information, 6-18-2024.
Employee Training	Completed. Internal Management Advisory Letter – Required Employee Training, 6-26-2024.
Student Organizations Risk Management	Completed. Internal Management Advisory Letter - Student Organizations: Risk Management, 6-26-2024.
THECB Facilities Audit	Completed. Texas Higher Education Coordinating Board Facilities Audit (Internal Audit Portion), SRSU 24-002, 8-30-2024.
SB 20 - Annual Review	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2024, 8-30-2024.
SB 20 - Contract Administration	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2024, 8-30-2024.
Mental Health Resources	In progress.
Pregnant and Parenting Students	In progress.
Follow-Up Reviews	On-going. Results posted in Board Book materials and on the TSUS webpage every quarter during the 2024 Fiscal Year.
Annual Risk Assessment and Audit Plan	Completed. Activity does not result in a written report; rather, it results in the annual Audit and Compliance Plan. The *Fiscal Year 2025 Audit and Compliance Plan* is posted on the TSUS and components' webpages.
Internal Audit Annual Report	Completed. Internal Audit Annual Report, Texas State University System, 10-16-2023.
Continuing Education	Completed. Activity does not result in a written report.
Special Projects	➤ Senate Bill 17, Board request. Completed, Senate Bill 17 Audit Report, 8-9-2024. ➤ RGC Enrollment Data Review – in progress. ➤ SRSU Hotline 05-847-533 – closed. ➤ SRSU Internal Complaint – in progress. ➤ SRSU Hotline 05-932-111 – in progress. ➤ SRSU Hotline 05-970-076 – in progress.

Respond to System Administration Requests	On-going. Activity does not result in a report.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the Office of Internal Audit. ➢ Belt Harris Pechacek, LLLP, Title IV, State Auditor's Office Audit (Audit Delegation 756-2023-001), 3-11-2024. ➢ THECB Facilities Audit (Peer Review Combined Report), 8-30-2024. ➢ State Comptroller's Office, Post-Payment Follow Up (2015), 10-27-2023. ➢ State Comptroller's Office, Controls Over Expenditure Processing Statewide Desk Audit – in progress. ➢ Department of Veterans Affairs, Compliance Review, 7-12-2024.

STATUS OF PRIOR YEAR PROJECTS

Project/Activity	Report Title/Report Number, and Date Issued to External Oversight Entities
Overloads	In progress.
Quality Assurance Self-Assessment	In progress.
Special Projects	➢ Presidential Request, Utilization of Athletics Space - in progress.

TEXAS STATE UNIVERSITY
STATUS OF PROJECTS IN FISCAL YEAR 2024 AUDIT AND COMPLIANCE PLAN

Project/Activity	Status, Report Title/Report Number, and Date Issued to External Oversight Entities
Pandemics Survey	Completed. Internal Management Advisory Letter - Safety and Security Initiative – Updated Pandemic Preparedness Results, 3-18-2024.
Drug Free	Completed. Internal Management Advisory Letter - Drug Free Schools Act, 6-18-2024.
Mental Health Information	Completed. Internal Management Advisory Letter - Mental Health Information, 6-18-2024.
Employee Training	Completed. Internal Management Advisory Letter – Required Employee Training, 6-26-2024.
Student Organizations Risk Management	Completed. Internal Management Advisory Letter - Student Organizations: Risk Management, 6-26-2024.
SB 20 - Annual Review	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2024, 8-30-2024.
SB 20 - Contract Administration	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2024, 8-30-2024.
Mental Health Resources	In progress.
Pregnant and Parenting Students	In progress.
Joint Admission Medical Program	In progress. (Note: this is a required audit for the 2025 Fiscal Year, but the audit commenced in the 2024 Fiscal Year.)
Follow-Up Reviews	On-going. Results posted in Board Book materials and on the TSUS webpage every quarter during the 2024 Fiscal Year.
Annual Risk Assessment and Audit Plan	Completed. Activity does not result in a written report; rather, it results in the annual Audit and Compliance Plan. The *Fiscal Year 2025 Audit and Compliance Plan* is posted on the TSUS and components' webpages.
Internal Audit Annual Report	Completed. Internal Audit Annual Report, Texas State University System, 10-16-2023.
Continuing Education	Completed. Activity does not result in a report.
Special Projects	➢ Senate Bill 17, Board request. Completed, Senate Bill 17 Audit Report, 8-9-2024. ➢ Internal complaint, 11-2-2023, verbal report 3-26-2024, referred to Academic Affairs – closed. ➢ EthicsPoint #86 – deferred to planned audit in Fiscal Year 2025. ➢ EthicsPoint #87 – verbal report 12-7-2023, referred to Information Technology, closed. ➢ EthicsPoint #88 – closed. ➢ EthicsPoint #89 – closed.

	➢ EthicsPoint #90 – verbal report, 3-7-2024, referred to Research - closed. See also State Auditor's Office Hotline Complaint 000003540.
	➢ EthicsPoint #91 – referred to Academic Affairs and University Police Department - closed.
	➢ EthicsPoint #92 – referred to Academic Affairs – closed.
	➢ EthicsPoint #93 – closed.
	➢ State Auditor's Office Hotline Complaint 000003540 – closed. Report provided 2-27-2024.
	➢ TXST Hotline 05-844-361 – closed.
	➢ TXST Hotline 05-850-735 – referred to Academic Affairs - closed.
	➢ TXST Hotline 05-866-386 – referred to Academic Affairs - closed.
	➢ TXST Mail-in Report 2-1-2024 – referred to Academic Affairs – closed.
	➢ TXST Hotline 05-871-014 – verbal report, 4-29-2024, referred to Academic Affairs – closed.
	➢ TXST Hotline 05-912-122 – closed.
	➢ TXST Hotline 05-917-663 – closed.
	➢ TXST Hotline 05-920-881 – closed.
	➢ TXST Hotline 05-923-769 – closed.
	➢ TXST Hotline 05-935-428 – closed.
	➢ TXST Hotline 05-936-896 – in progress.
	➢ TXST Hotline 05-936-897 – in progress.
	➢ TXST Hotline 05-936-905 in progress.
	➢ TXST Hotline 05-942-394 – closed.
	➢ TXST Hotline 05-943-017 – referred to Title IX – closed.
	➢ TXST Hotline 05-944-944 – closed.
	➢ TXST Hotline 05-954-242 – closed.
	➢ TXST Hotline 05-954-987 – closed.
	➢ TXST Hotline 05-956-339 – closed.
	➢ TXST Hotline email 6-17-2024 - closed.
	➢ TXST Hotline 05-956-063 – closed.
	➢ TXST Hotline 05-961-304 – referred to Title IX - closed.
	➢ TXST Internal Referral – in progress.
Respond to System Administration Requests	On-going. Activity does not result in a report.
Audit Liaison Activities	➢ These activities do not result in a report issued by the Office of Internal Audit.
	➢ Atchley & Associates, LLP, Emmett and Miriam McCoy College of Business Administration Development Foundation, Financial Statements and Independent Auditors' Report For the Years Ended August 31, 2023 and 2022 (Delegation 754-2024-001), 5-15-2024.
	➢ Montemayor Britton Bender, PC, Student Financial Aid (Title IV) Fiscal Year 2024 – in progress (Delegation 754-2024-002).
	➢ James Moore & Co., PL., NCAA Agreed-Upon Procedures, Fiscal Year 2024 – in progress (Delegation 754-2024-004).
	➢ State Comptroller's Office, Controls Over Expenditures Processing Statewide Desk Audit - in progress.
	➢ State Auditor's Office, Statewide Single Audit Compliance Follow-up - in progress.

	➢ State Auditor's Office, Schedule of Federal Assistance Fiscal Year 2024 – in progress. ➢ State Auditor's Office, Texas School Safety Center – in progress. ➢ State Comptroller's Office, Limited Sales, Excise and Use Tax – in progress. ➢ Texas Department of State Health Services Review of the Health Promotion and Chronic Disease Prevention Section/Tobacco Youth Program Contract, 4-24-2024. ➢ THECB, Texas Research Incentive Program (TRIP) - in progress. ➢ Government Accountability Office, Climate Change Impact on Water Funding Review (Meadows Center) – informational survey only, 9-28-2023. ➢ USDA National Institute of Food and Agriculture Compliance Review – in progress. ➢ Department of Health and Human Services, Sexual Risk Avoidance Education/Personal Responsibility Education Program – in progress. ➢ Department of Justice, Office of Community Oriented Policing Services – in progress.

STATUS OF PRIOR YEAR PROJECTS

Project/Activity	Report Title/Report Number, and Date Issued to External Oversight Entities
Research Compliance (IACUC)	Completed. Research Compliance - Animal Care & Use Audit, TXST-23-006, 9-20-2023.
Background Checks	In progress.
Laboratory Safety	In progress.
Monitoring Technology Services Provided by External Vendors Audit	In progress.
Monitoring External Vendors' Use of University Technology	In progress.
Quality Assurance Self-Assessment	In progress.
Special Projects	➢ State Auditor's Office Special Investigations Unit project assistance - completed.
Audit Liaison Activities	These activities do not result in a report issued by the Office of Internal Audit. ➢ Montemayor Britton Bender PC, Cancer Prevention and Research Institute of Texas Grant at Texas State University for Fiscal Year 2022 (Delegation 754-2023-002), 1-5-2024. ➢ Montemayor Britton Bender PC, Cancer Prevention and Research Institute of Texas Grant at Texas State University for Fiscal Year 2023 (Delegation 754-2023-002), 7-16-2024. ➢ James Moore & Co., P.L., Texas State University Intercollegiate Athletics Program, Independent Accountants' Report on the

	Application of Agreed-Upon Procedures for the Year Ended August 31, 2023 (Delegation 754-2023-003), 1-17-2024. ➢ State Auditor's Office Statewide Single Audit – Federal Compliance for Fiscal Year 2023 and an Audit of the Schedule of Expenditures of Federal Awards for Fiscal Year 2023, 2-23 & 28-2024.

LAMAR INSTITUTE OF TECHNOLOGY
STATUS OF PROJECTS IN FISCAL YEAR 2024 AUDIT AND COMPLIANCE PLAN

Project/Activity	Status, Report Title/Report Number, and Date Issued to External Oversight Entities
IT - On-Going	On-going. Activity does not result in a report.
Pandemics Survey	Completed. Internal Management Advisory Letter - Safety and Security Initiative – Updated Pandemic Preparedness Results, 3-18-2024.
Drug Free	Completed. Internal Management Advisory Letter - Drug Free Schools Act, 6-18-2024.
Mental Health Information	Completed. Internal Management Advisory Letter - Mental Health Information, 6-18-2024.
Employee Training	Completed. Internal Management Advisory Letter – Required Employee Training, 6-26-2024.
Student Organizations Risk Management	Completed. Internal Management Advisory Letter - Student Organizations: Risk Management, 6-26-2024.
SB 20 - Annual Review	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2024, 8-30-2024.
SB 20 - Contract Administration	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2024, 8-30-2024.
Mental Health Resources	In progress.
Pregnant and Parenting Students	In progress.
Follow-Up Reviews	On-going. Results posted in Board Book materials and on the TSUS webpage every quarter during the 2024 Fiscal Year.
Annual Risk Assessment and Audit Plan	Completed. Activity does not result in a written report; rather, it results in the annual Audit and Compliance Plan. The *Fiscal Year 2025 Audit and Compliance Plan* is posted on the TSUS and components' webpages.
Internal Audit Annual Report	Completed. Internal Audit Annual Report, Texas State University System, 10-16-2023.
Continuing Education	Completed. Activity does not result in a report.
Special Projects	➢ Senate Bill 17, Board request. Completed, Senate Bill 17 Audit Report, 8-9-2024. ➢ Shared Services, Management request. Internal Management Advisory Letter, 8-27-2024. ➢ FY 2023 Student Financial Aid Student Academic Progress Review, Management request. Activity did not result in a written report. ➢ Summer 2024 Student Financial Aid Student Academic Progress Review, Management request. Activity did not result in a written report
Respond to System Administration Requests	On-going. Activity does not result in a report.

Audit Liaison Activities	On-going. Activity does not result in a report issued by the Office of Internal Audit. ➢ Apple Odom, LLC, Agreed-Upon Procedures, Student Financial Aid – in progress (Delegation 789-2024-001). ➢ THECB, Appropriation Year 2022 A-133 Desk Review (Perkins), 9-29-2023. ➢ State Comptroller's Office, Controls Over Expenditures Processing Statewide Desk Audit - in progress.

STATUS OF PRIOR YEAR PROJECTS

Project/Activity	Report Title/Report Number, and Date Issued to External Oversight Entities
Quality Assurance Self-Assessment	In progress.
Special Projects.	Investigation of reported concerns – in progress.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the Office of Internal Audit. ➢ Belt Harris Pechacek, LLLP, Annual Financial Report (Delegation 789-2023-001), 3-11-2024. ➢ Belt Harris Pechacek, LLLP, Title IV Funds (Delegation 789-2023-002), 3-11-2024. ➢ THECB Fiscal Year 2021 Perkins Desk Review, 9-29-2023.

LAMAR STATE COLLEGE - ORANGE
STATUS OF PROJECTS IN FISCAL YEAR 2024 AUDIT AND COMPLIANCE PLAN

Project/Activity	Status, Report Title/Report Number, and Date Issued to External Oversight Entities
IT - On-Going	On-going. Activity does not result in a report.
Pandemics Survey	Completed. Internal Management Advisory Letter - Safety and Security Initiative – Updated Pandemic Preparedness Results, 3-18-2024.
Drug Free	Completed. Internal Management Advisory Letter - Drug Free Schools Act, 6-18-2024.
Mental Health Information	Completed. Internal Management Advisory Letter - Mental Health Information, 6-18-2024.
Employee Training	Completed. Internal Management Advisory Letter – Required Employee Training, 6-26-2024.
Student Organizations Risk Management	Completed. Internal Management Advisory Letter - Student Organizations: Risk Management, 6-26-2024.
SB 20 - Annual Review	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2024, 8-30-2024.
SB 20 - Contract Administration	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2024, 8-30-2024.
Mental Health Resources	In progress.
Pregnant and Parenting Students	In progress.
Follow-Up Reviews	On-going. Results posted in Board Book materials and on the TSUS webpage every quarter during the 2024 Fiscal Year.
Annual Risk Assessment and Audit Plan	Completed. Activity does not result in a written report; rather, it results in the annual Audit and Compliance Plan. The *Fiscal Year 2025 Audit and Compliance Plan* is posted on the TSUS and components' webpages.
Internal Audit Annual Report	Completed. Internal Audit Annual Report, Texas State University System, 10-16-2023.
Continuing Education	Completed. Activity does not result in a report.
Special Projects	➢ Senate Bill 17, Board request. Completed, Senate Bill 17 Audit Report, 8-9-2024. ➢ LSCO Hotline 05-859-643 – closed. ➢ State Auditor's Office Hotline Complaint 000004196 – email response 8-30-2024.
Respond to System Administration Requests	On-going. Activity does not result in a report.

Audit Liaison Activities	On-going. Activity does not result in a report issued by the Office of Internal Audit.
	➢ THECB, Appropriation Year 2022 A-133 Desk Review, 9-29-2023.
	➢ THECB Office of Civil Rights Compliance Review – in progress.
	➢ State Comptroller's Office, Controls Over Expenditures Processing Statewide Desk Audit - in progress.
	➢ Department of Veterans Affairs Compliance Review, 4-9-2024.
	➢ Department of Defense Compliance Review, 11-7-2023.

STATUS OF PRIOR YEAR PROJECTS

Project/Activity	Report Title/Report Number, and Date Issued to External Oversight Entities
Quality Assurance Self-Assessment	In progress.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the Office of Internal Audit.
	➢ Belt Harris Pechacek, LLLP, Annual Financial Report (Delegation 787-2023-001), 3-11-2024.
	➢ Weaver and Tidwell, Title IV Funds (Delegation 787-2023-002), 3-11-2024.
	➢ THECB Fiscal Year 2021 Perkins Desk Review, 9-29-2023.

LAMAR STATE COLLEGE - PORT ARTHUR
STATUS OF PROJECTS IN FISCAL YEAR 2024 AUDIT AND COMPLIANCE PLAN

Project/Activity	Status, Report Title/Report Number, and Date Issued to External Oversight Entities
IT - On-Going	On-going. Activity does not result in a report.
Pandemics Survey	Completed. Internal Management Advisory Letter - Safety and Security Initiative – Updated Pandemic Preparedness Results, 3-18-2024.
Drug Free	Completed. Internal Management Advisory Letter - Drug Free Schools Act, 6-18-2024.
Mental Health Information	Completed. Internal Management Advisory Letter - Mental Health Information, 6-18-2024.
Employee Training	Completed. Internal Management Advisory Letter – Required Employee Training, 6-26-2024.
Student Organizations Risk Management	Completed. Internal Management Advisory Letter - Student Organizations: Risk Management, 6-26-2024.
SB 20 - Annual Review	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2024, 8-30-2024.
SB 20 - Contract Administration	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2024, 8-30-2024.
Mental Health Resources	In progress.
Pregnant and Parenting Students	In progress.
Follow-Up Reviews	On-going. Results posted in Board Book materials and on the TSUS webpage every quarter during the 2024 Fiscal Year.
Annual Risk Assessment and Audit Plan	Completed. Activity does not result in a written report; rather, it results in the annual Audit and Compliance Plan. The *Fiscal Year 2025 Audit and Compliance Plan* is posted on the TSUS and components' webpages.
Internal Audit Annual Report	Completed. Internal Audit Annual Report, Texas State University System, 10-16-2023.
Continuing Education	Completed. Activity does not result in a report.
Special Projects	➢ Senate Bill 17, Board request. Completed, Senate Bill 17 Audit Report, 8-9-2024.
Respond to System Administration Requests	On-going. Activity does not result in a report.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the Office of Internal Audit. ➢ THECB, Appropriation Year 2022 A-133 Desk Review, 9-29-2023. ➢ THECB, Perkins Loan Desk Review FY 2022, in progress.

	➢ State Comptroller's Office, Controls Over Expenditures Processing Statewide Desk Audit - in progress. ➢ Department of Veterans Affairs, Compliance Review, 4-9-2024.

STATUS OF PRIOR YEAR PROJECTS

Project/Activity	Report Title/Report Number, and Date Issued to External Oversight Entities
Quality Assurance Self-Assessment	In progress.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the Office of Internal Audit. ➢ State Comptroller's Office, Post Payment Audit, 4-9-2024. ➢ State Auditor's Office, Compliance with Historically Underutilized Business and State Use Program Requirements, 6-14-2024. ➢ THECB FY 2022 Perkins Desk Review – in progress.

SYSTEM ADMINISTRATION
STATUS OF PROJECTS IN FISCAL YEAR 2024 AUDIT AND COMPLIANCE PLAN

Project/Activity	Status, Report Title/Report Number, and Date Issued to External Oversight Entities
Title IX Quarterly and Annual Reporting	Completed. Quarterly reports submitted to Chancellor as required. Annual report submitted to the Texas Higher Education Coordinating Board on 10-25-23.
Pandemics Survey	Completed. System-wide report: Management Advisory Letter - Safety and Security Initiative – Updated Pandemic Preparedness Results, 3-19-2024.
Drug Free	Completed. System-wide report: Management Advisory Letter - Drug Free Schools Act, 6-19-2024.
Mental Health Information	Completed. System-wide report: Management Advisory Letter - Mental Health Information, 6-19-2024.
Employee Training	Completed. System-wide report: Management Advisory Letter – Required Employee Training, 6-28-2024.
Student Organizations Risk Management	Completed. System-wide report: Management Advisory Letter - Student Organizations: Risk Management, 6-28-2024.
Mental Health Resources	In progress.
Pregnant and Parenting Students	In progress.
SB 20 - Annual Review	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2024, 8-30-2024.
SB 20 - Contract Administration	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2024, 8-30-2024.
Follow-Up Reviews	On-going. Results posted in Board Book materials and on the TSUS webpage every quarter during the 2024 Fiscal Year.
Annual Risk Assessment and Audit Plan	Completed. Activity does not result in a written report; rather, it results in the annual Audit and Compliance Plan. The *Fiscal Year 2025 Audit and Compliance Plan* is posted on the TSUS and components' webpages.
Internal Audit Annual Report	Completed. Internal Audit Annual Report, Texas State University System, 10-16-2023.
Continuing Education	Completed. Activity does not result in a report.
Special Projects	➢ Senate Bill 17, Board request. Completed, Senate Bill 17 Audit Report, 8-9-2024. ➢ EthicsPoint #46 – closed. ➢ EthicsPoint #47 – referred to SHSU. ➢ EthicsPoint #48 – referred to SHSU.

	➢ Email complaint to Compliance Officer 11-13-2023 – referred to Office of General Counsel. ➢ TSUS Hotline 05-907-256 – closed. ➢ TSUS Hotline email 1-3-2024 – closed. ➢ TSUS Hotline email 4-26-2024 – closed. ➢ TSUS Hotline email 3-30-2024 – closed. ➢ TSUS Hotline email 4-3-2024 – closed. ➢ Evaluated information provided by staff regarding options for third-party hotline complaint reporting systems and implemented a new internal hotline reporting system. ➢ Evaluated information provided by staff regarding options for audit management software systems.
Respond to System Administration Requests	On-going. Activity does not result in a report.
Component Audit Assistance	On-going. Activity does not result in a report.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the TSUS Office of Internal Audit. ➢ State Auditor's Office, Statewide Single Audit Compliance Follow-up - in progress. ➢ State Auditor's Office, Schedule of Federal Assistance Fiscal Year 2024 – in progress. ➢ TSUS Foundation Audit, Allman & Associates, Inc., Independent Auditors' Report and Financial Statements, August 31, 2024 (Delegation 758-2024-001) – in progress.
Compliance Program Enhancements	On-going. Activity does not result in a report.
Compliance Newsletter	Completed. Newsletters issued in November 2023, February 2024, May 2024, and August 2024.
Compliance Risk Universe	On-going. Activity does not result in a report.

STATUS OF PRIOR YEAR PROJECTS

Project/Activity	Report Title/Report Number, and Date Issued to External Oversight Entities
Quality Assurance Self-Assessment	In progress.
Construction Audits (Delegation #758-2023-002)	➢ SHSU Newton Gresham Library Renovation – in progress. ➢ SRSU Museum of the Big Bend Annex System – in progress. ➢ TXST TV and Film Studios Building (Live Oak Hall) – in progress.
Audit Liaison Activities	➢ TSUS Foundation Audit, Allman & Associates, Inc., Independent Auditors' Report and Financial Statements, August 31, 2023 (Delegation 758-2023-003). ➢ State Auditor's Office Statewide Single Audit – Federal Compliance for Fiscal Year 2023 and an Audit of the Schedule of Expenditures of Federal Awards for Fiscal Year 2023.

III. Consulting Services and Nonaudit Services Completed

The *International Standards for the Professional Practice of Internal Auditing* define "consulting services" as advisory in nature, generally performed at the specific request of management. The *Government Auditing Standards* define "nonaudit services" as those activities which are not financial audits, attestation engagements, or performance audits. The following bulleted lists represent consulting and nonaudit services conducted during Fiscal Year 2024:

LAMAR COMPONENTS

➤ Prepared and sent email "blasts" at all Lamar components reminding faculty, staff, and students of their responsibilities to and options for reporting suspected waste, fraud, and abuse.
➤ Prepared and distributed email reminding faculty and staff of requirements regarding audit delegations and external audit notifications.
➤ Provided support to the Chairman of the Board, the President, and the Office of General Counsel in responding to legislative inquiries on institutional efforts to comply with Senate Bill 17.
➤ Developed self-assessment inventory templates for use by TSUS institutions in sustaining compliance with Senate Bill 17.
➤ Performed a review of the KVLU Financial Statement Audit and an analysis of data therein for the year ending August 31, 2023 and summarized results.
➤ Performed an analysis of NCAA-related financial information for the year ending August 31, 2023 and summarized results.
➤ Provided advisory services for several aspects of the shared services platform for LIT, LSCO, and LSCPA.
➤ Participated in the project meetings in an advisory capacity for the LIT, LSCO, and LSCPA, SRSU and TSUS system office conversion and implementation of the Ellucian Banner SaaS Enterprise application.
➤ Monitored the third-party Cybersecurity Maturity Assessments (through the Department of Information Resources) at LU, LIT, LSCO, and LSCPA.
➤ Provided assistance to the Attorney General's Office in the recovery of contractor overpayments.
➤ Reviewed and commented on potential administrative policy changes at all components.
➤ Researched a variety of issues at management's request at all components.
➤ Monitored and advised on IT business continuity at all components.
➤ Advised management on IT systems and applications controls at all components.
➤ Continued periodic meetings with Lamar Component Presidents, Vice Presidents of Finance and Operations, Chief Information Officers, and Information Security Officers, as well as other management to discuss activities or areas of concerns.
➤ Provided advisory services to assist the LIT Financial Aid Department regarding updates on missing/incorrect student satisfactory academic progress statuses within Banner for Fiscal Years 2022 and 2023.
➤ Attended LU's President cabinet informational meetings.
➤ Assisted with resolving Blackboard MFA problems between LSCO and SHSU for the LSCO TDCJ users accessing Blackboard.
➤ Served in board member capacity for the Texas Association of College and University Auditors.
➤ Served in board member capacity for the Texas Society of Certified Public Accountants.
➤ Worked in conjunction with other TeamMate+ Champions on various activities and tasks.
➤ Coordinated and communicated with LU IT on the windows maintenance cycle and other IT-related matters involving Internal Audit applications and shared drives.

➢ Completed a management-requested assessment of the Shared Services Information Technology Division (LIT, LSCO, and LSCPA).

SAM HOUSTON STATE UNIVERSITY

➢ Prepared and sent email "blasts" reminding faculty, staff, and students of their responsibilities to and options for reporting suspected waste, fraud, and abuse ("See Something, Say Something").
➢ Prepared and distributed email reminding faculty and staff of requirements regarding audit delegations and external audit notifications.
➢ Provided support to the Chairman of the Board, the President, and the Office of General Counsel in responding to legislative inquiries on institutional efforts to comply with Senate Bill 17.
➢ Developed self-assessment inventory templates for use by TSUS institutions in sustaining compliance with Senate Bill 17.
➢ Monitored the third-party Cybersecurity Maturity Assessment (through the Department of Information Resources).
➢ Held monthly meetings with executive management.
➢ Modified the risk assessment survey within Qualtrics to more efficiently obtain management's input during the Annual Risk Assessment process.
➢ Consulted with Strategic Enrollment and Innovation Group (SEI) regarding risks associated with IT (including IT governance) and provided informal feedback.
➢ Participated in the Fiscal Year 2024 independent biennial review of SHSU's Information Security Program (§TAC 202.76).
➢ Worked in conjunction with other TeamMate+ Champions on various activities and tasks.
➢ Reviewed the annual Asset Forfeiture report for the University Police Department.
➢ Researched a variety of issues at management's request.
➢ Served on the President's Council.
➢ Served as ex-officio member of the Critical Incident Response Team.
➢ Consulted with the Controller's Office regarding compliance activities.

SUL ROSS STATE UNIVERSITY

➢ Prepared and sent email "blasts" reminding faculty, staff, and students of their responsibilities to and options for reporting suspected waste, fraud, and abuse.
➢ Prepared and distributed email reminding faculty and staff of requirements regarding audit delegations and external audit notifications.
➢ Provided support to the Chairman of the Board, the President, and the Office of General Counsel in responding to legislative inquiries on institutional efforts to comply with Senate Bill 17.
➢ Developed self-assessment inventory templates for use by TSUS institutions in sustaining compliance with Senate Bill 17.
➢ Monitored the third-party Cybersecurity Maturity Assessment (through the Department of Information Resources).
➢ Advised on NCAA audit requirements.
➢ Continued periodic meetings with President, Vice President of Finance and Operations, Chief Information Officer, and Information Security Officer, as well as other management to discuss activities or areas of concerns.
➢ Provided advisory services for several aspects of the shared services platform.
➢ Participated in the project meetings in an advisory capacity for the SRSU conversion and implementation of the Ellucian Banner SaaS Enterprise application.

TEXAS STATE UNIVERSITY

- ➢ Prepared and sent email "blasts" reminding faculty, staff, and students of their responsibilities to and options for reporting suspected waste, fraud, and abuse.
- ➢ Prepared and distributed email reminding faculty and staff of requirements regarding audit delegations and external audit notifications.
- ➢ Held monthly meetings with the President and periodic meetings with the Executive Vice President of Operations and Chief Financial Officer, the Vice President for TXST Global, and the Chief Information Officer, as well as other management to discuss activities or areas of concerns.
- ➢ Provided support to the Chairman of the Board, the President, and the Office of General Counsel in responding to legislative inquiries on institutional efforts to comply with Senate Bill 17.
- ➢ Developed self-assessment inventory templates for use by TSUS institutions in sustaining compliance with Senate Bill 17.
- ➢ Researched a variety of issues at management's request.
- ➢ Reviewed and commented on potential administrative policy changes.
- ➢ Performed an analysis of NCAA-related financial information for the year ending August 31, 2023 and communicated results to Board.
- ➢ Performed an analysis of McCoy Foundation financial information for the years ending August 31, 2022 and 2023 and communicated results to Board.
- ➢ Consulted with the Office of Institutional Compliance and Ethics regarding audits, investigations, and special projects.
- ➢ Worked in conjunction with other TeamMate+ Champions on various activities and tasks.
- ➢ Completed TeamMate+ security risk assessment required by TXST's Information Security Office.
- ➢ Evaluated options for audit management software systems for consideration by the Chief Audit Executive.
- ➢ Served as a member on the Spring Virtual Conference Committee for the Association of College and University Auditors.
- ➢ Served on the Business Services Council.
- ➢ Served as ex-officio member of the Human Resources Stakeholders Team.

SYSTEM ADMINISTRATION

- ➢ Proposed changes and provided commentary on potential Rule changes for the Board's consideration.
- ➢ Provided commentary on potential administrative policy changes (including the Data Management policy draft) at System Administration and various components.
- ➢ Researched a variety of issues at management's request.
- ➢ Provided support to the Chairman of the Board, the Presidents, and the Office of General Counsel in responding to legislative inquiries on institutional efforts to comply with Senate Bill 17 and in submitting the required annual certification of compliance through the Texas Higher Education Coordinating Board.
- ➢ Developed self-assessment inventory templates for use by TSUS institutions in sustaining compliance with Senate Bill 17.
- ➢ Participated in the project meetings in an advisory capacity for the TSUS System Office conversion and implementation of the Ellucian Banner SaaS Enterprise application.
- ➢ Reviewed and commented on various iterations of "right to audit" clauses in draft contracts.
- ➢ Maintained the TSUS CPE Sponsorship with the Texas State Board of Public Accountancy as a registered CPE sponsor.

➢ Completed the United Educators "Risk Management Premium Credit Program" at management's request.
➢ Consulted on TSUS Title IX issues and facilitated System-wide Title IX training.
➢ Managed ongoing Clery Act contracted services with D. Stafford and Associates.

IV. External Audit Services Procured or Ongoing in Fiscal Year 2024

TSUS member institutions contracted with numerous external audit firms for a variety of services. The following list details services that were procured or ongoing during Fiscal Year 2024. Where noted, dates provided indicate when the final report for the delegated services were submitted to the State Auditor's Office.

➢ Lamar University:
- Weaver, Intercollegiate Athletics Program Agreed-Upon Procedures Year Ended August 31, 2023 (Audit Delegation 734-2023-001), 3-4-2024.
- Mitchell T. Fontenote, CPA, Inc., KVLU – FM Radio, Financial Statements Together With Auditor's Report, August 31, 2023 and 2022 (Audit Delegation 734-2023-002), 3-28-2024.

➢ Sam Houston State University:
- Belt Harris Pechacek, LLLP - Independent Accountants' Report on the Application of Agreed-Upon Procedures, National Collegiate Athletic Association (NCAA) Compliance For the Year Ended August 31, 2023 (Audit Delegation 753-2024-001), 2-19-2024.
- Belt Harris Pechacek, LLLP - Charter School Annual Financial Statements For the Year Ended August 31, 2023 (Audit Delegation 753-2023-002), 1-8-2024.

➢ Sul Ross State University:
- Belt Harris Pechacek, LLLP, Title IV, State Auditor's Office Audit (Audit Delegation 756-2023-001), 3-11-2024.

➢ Texas State University:
- Atchley & Associates, LLP, Emmett and Miriam McCoy College of Business Administration Development Foundation, Financial Statements and Independent Auditors' Report For the Years Ended August 31, 2023 and 2022 (Delegation 754-2024-001), 5-15-2024.
- Montemayor Britton Bender, PC, Student Financial Aid (Title IV) Fiscal Year 2024 – in progress (Delegation 754-2024-002).
- Atchley & Associates, LLP, Emmett and Miriam McCoy College of Business Administration Development Foundation, Financial Statements and Independent Auditors' Report For the Years Ended August 31, 2024 and 2023 – in progress (Delegation 754-2024-003).
- James Moore & Co., PL., NCAA Agreed-Upon Procedures, Fiscal Year 2024 – in progress (Delegation 754-2024-004).
- Montemayor Britton Bender PC, Cancer Prevention and Research Institute of Texas Grant at Texas State University for Fiscal Year 2022 (Delegation 754-2023-002), 1-5-2024.
- Montemayor Britton Bender PC, Cancer Prevention and Research Institute of Texas Grant at Texas State University for Fiscal Year 2023 (Delegation 754-2023-002), 7-16-2024.
- James Moore & Co., P.L., Texas State University Intercollegiate Athletics Program, Independent Accountants' Report on the Application of Agreed-Upon Procedures for the Year Ended August 31, 2023 (Delegation 754-2023-003), 1-17-2024.

➢ Lamar Institute of Technology
- Apple Odom, LLC, Agreed-Upon Procedures, Student Financial Aid – in progress (Delegation 789-2024-001).

- Belt Harris Pechacek, LLLP, Annual Financial Report (Delegation 789-2023-001), 3-11-2024.
- Belt Harris Pechacek, LLLP, Title IV Funds (Delegation 789-2023-002), 3-11-2024.

➢ Lamar State College Orange
- Belt Harris Pechacek, LLLP, Annual Financial Report (Delegation 787-2023-001), 3-11-2024.
- Weaver and Tidwell, Title IV Funds (Delegation 787-2023-002), 3-11-2024.

➢ System Administration contracted with the following firms:
- TSUS Foundation Audit, Allman & Associates, Inc., Independent Auditors' Report and Financial Statements, August 31, 2024 (Delegation 758-2024-001), in progress.
- R.L. Townsend & Associates, Construction Audits (Delegation 758-2023-002), multiple projects, in progress.
- TSUS Foundation Audit, Allman & Associates, Inc., Independent Auditors' Report and Financial Statements, August 31, 2023 (Delegation 758-2023-003),11-23-2023.

V. External Quality Assurance Review (Peer Review)

Texas Government Code 2102 requires periodic external assessments of the audit function for compliance with applicable professional standards. The following excerpt is the most recent independent external validator's statement regarding the TSUS internal audit function self-assessment, based on criteria outlined in the Institute of Internal Auditors (IIA) *Quality Assessment Manual for the Internal Audit Activity*. Because the IIA requires peer reviews to be conducted every 5 years, an external validation of a self-assessment was included in the 2024 Audit and Compliance Plan. A year-long special project across all member institutions and System Administration impacted completion of the self-assessment prior to the fiscal year-end. Completion of the self-assessment is underway.

There are three ratings that can be given in an IIA peer review. The validator rated the TSUS internal audit function with a "Generally Conforms" rating, which is the best rating available.

Texas State University System

INDEPENDENT VALIDATION OPINION REPORT

QUALITY ASSURANCE
SELF-ASSESSMENT REVIEW

November 2019

Prepared by:
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Ph/Fax: 407.896.2760
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Texas State University System – 2019

OVERVIEW

As required by the Texas Internal Auditing Act (article 6252-5d, V.A.C.S.) and the Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing* (*IIA Standards*), a quality assurance review (QAR) was conducted of The Texas State University System (System) internal audit activity. The IIA Standards require that internal audit activities obtain an assessment either through an external review or a self-assessment quality assurance review, with an independent validation.

As an independent reviewer, I was engaged to conduct a validation of the self-assessment that was conducted by the System Office of Audits and Analysis. The primary objective of the validation was to independently verify the assertions made in the System's attached self-assessment report regarding adequate fulfillment of the expectations of the IA activity by the Audit and Finance Committee of the Board of Regents and its conformity to the *IIA Standards*. An additional objective was to provide recommendations that the reviewer deems may be of value to the System IA activity. Matters that might have been reviewed and reported on in an external review, such as an in-depth analysis of best practices, governance, and use of advanced technology, were excluded from the scope of this review.
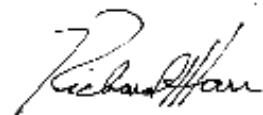
In acting as a validator, I am fully independent of the System and have the necessary knowledge and skills to undertake this engagement. The validation was conducted from November 19 through November 22, 2019. It consisted primarily of a review and testing of the procedures and documented results of the self-assessment conducted by the System's IA review team. It also included a review of a limited sample of various audit workpapers; an evaluation of responses to surveys distributed to System Administration executives, component Presidents and management, and audit staff; and interviews with the audit staff, Finance and Audit Committee Chair of the Board of Regents and the Texas State University System Chancellor.

Texas State University System – 2019

OPINION

Based upon my interviews, workpaper reviews, and a review of the work conducted by the IA review teams, I concur with the conclusion that the internal audit activity at the System Office of Audits and Analysis (OAA) and the four component locations, the Texas State University, Lamar University, Sam Houston State University, and Sul Ross State University, **generally conforms** to the applicable *IIA Standards* and the Texas Internal Auditing Act.

This opinion, representing the best possible evaluation, means that there are in place the relevant structures, policies, and procedures, including the processes by which they are applied, that comply with the *IIA Standards* and the Texas Internal Auditing Act in all material respects. The workpapers documenting the self-assessment conducted by the System's IA review team showed that the review was appropriately documented by the team and the opinion appears to have been objectively developed.

Richard H. Tarr, CIA, CISA

VI. Audit and Compliance Plan for Fiscal Year 2025

The TSUS Office of Internal Audit prepares a consolidated audit and compliance plan ("Plan") for TSUS components and System Administration. 26,287 hours have been budgeted for activities/projects included in the Plan (including travel and administrative time). The TSUS Board of Regents approved the Plan on August 9, 2024. Additional risks ranked as "high" identified during the risk assessment that are not included in the Fiscal Year 2025 Plan due to finite resources appear on Page 36.

Office of Internal Audit

Audit and Compliance Plan
Fiscal Year 2025

Carole M. Fox, CPA
Chief Audit Executive, Texas State University System

Ramona Stricklan, CIA, CFE
System Director

Kelly Blissett, CPA, MBA
Director

Mike Miller, CIA, CGAP
Director

Kelly Wintemute, CCEP, MBA
Compliance Officer, Texas State University System

Marylyn Byrd, CPA, CIA, MBA
Associate Director

TABLE OF CONTENTS

INTRODUCTION AND PURPOSE

The *Fiscal Year 2025 Audit and Compliance Plan* ("Plan") documents functional areas the Office of Internal Audit intends to devote resources to during Fiscal Year 2025. The Plan satisfies statutory responsibilities outlined in Section 2102.008 of the Texas Government Code, the Texas State University System *Rules and Regulations*, and applicable auditing standards. The number of hours budgeted to perform all activities in the Plan totals 26,287.

Plan Categories
The Plan is divided into three different categories:
> ➢ Statutory/Required Audits and Activities: Projects required by law or by external oversight entities for all institutions and System Administration (except where noted).
> ➢ Risk-Based Functional Areas: Projects allocated amongst the institutions based on risks identified during the annual risk assessment process and subsequently categorized by functional area. See the section entitled "Risk Assessment Process" below for more information.
> ➢ Other Activities: Projects required by grant agreements or third parties, consulting and advisory services, special projects such as time-sensitive management-requested reviews or investigations, identification and communication of emerging compliance requirements, liaising with external auditors, and other functions designed to assist management in mitigating risks.

Risk Assessment Process
Because of the increase in the number of statutorily-required projects and activities, audit and compliance resources available for risk-based projects have diminished. Therefore, it is critical that such projects focus on areas where independent reviews will provide the most value to the Texas State University System as a whole. In order to identify such projects, the Office of Internal Audit uses a two-phase risk assessment process.

The first phase of the risk assessment is the annual risk assessment, used to build this Plan. Texas Government Code 2102.005 requires audit plans to be developed "*utilizing risk assessment techniques.*" The collective risk assessment activities performed at the institutions and System Administration in developing this Plan included, but were not limited to, the following:
> ➢ Soliciting input from the Board of Regents, the Chancellor, Vice-Chancellors, and Component Presidents and management;
> ➢ Consulting with oversight entities regarding emerging concerns;
> ➢ Considering national trends within higher education;
> ➢ Evaluating materiality;
> ➢ Assessing the potential impact of negative public scrutiny; and
> ➢ Utilizing professional judgment and knowledge gained from prior projects regarding areas of risk and information gained through continual risk assessment discussions with management throughout the year.

The risk assessments considered a myriad of risks, including those associated with the potential for fraud, contracting and contract management risks, benefits proportionality risks, risks associated with turnover in key positions, and information technology risks (including those associated with Title 1, Texas Administrative Code, Chapter 202, *Information Security Standards)*. The risk assessments also considered work performed by external auditors, institutional risk appetites, and activities where assurance or consulting engagements would be most helpful to management.

Upon completion of the annual risk assessment, identified risks were categorized into various functional areas based on the various organizational structures within the Texas State University System, the Risk Dictionary classifications created by the *Association of College and University Auditors*, and the functional expense classifications promulgated by the *National Association of College and University Business Officers* for financial statement reporting purposes.

Each functional area contains numerous activities, processes, and operations that could be the subject of an audit (see Appendix A). Except for compliance reviews (which are typically conducted on a system-wide basis), the various functional areas and the specific projects selected for review in those functional areas vary amongst the institutions and System Administration depending on the level of risk. For example, a project in the Financial Management functional area at Lamar University could involve an audit of accounts payable, while a project in the Financial Management functional area at Sul Ross State University could involve an audit of accounts receivable. There could be no projects (or multiple projects) in the Financial Management functional area at Sam Houston State University.

The second phase of the risk assessment occurs when audit resources become available to commence a project in a designated functional area. Although the first phase of the risk assessment provides clear indicators of auditable units that would benefit from review, some units are of higher risk than others, and sometimes risks identified during the annual risk assessment become mitigated as time passes. Therefore, as project planning begins, we conduct additional assessments to pinpoint the activities best suited for review. This approach affords us the flexibility to ensure emerging risks are timely reviewed.

As in prior years, there may be circumstances that require us to devote resources to activities not outlined in the Plan. Per the *Rules and Regulations*, significant changes to the Plan require approval by the Chair of the Finance and Audit Committee. Also, consistent with prior years, the risk assessment identified high risk areas that were not included in the Plan due to finite resources.

The Plan appears on the following page. Blue checkmarks, which represent one or more planned projects, are used to identify the functional areas at individual institutions and System Administration where the Office of Internal Audit plans to devote resources throughout the year. Green checkmarks represent one or more planned projects where compliance initiatives will be performed on a system-wide basis.

TEXAS STATE UNIVERSITY SYSTEM
AUDIT AND COMPLIANCE PLAN - FISCAL YEAR 2025

Legend: A = One or more planned audit project(s) (blue ✓); C = One or more planned compliance project(s) (green ✓)

STATUTORY/REQUIRED AUDITS AND ACTIVITIES	LU	SHSU	SRSU	TXST	LIT	LSCO	LSCPA	System Administration
SB 20 – Annual Policy Review & Contract Administration	A	A	A	A	A	A	A	A
Quarterly Follow-Up Reviews	A C	A C	A C	A C	A C	A C	A C	A C
Risk Assessment/Audit & Compliance Plan (for FY 2026)	A C	A C	A C	A C	A C	A C	A C	A C
Annual Internal Audit Report (for FY 2024)	A C	A C	A C	A C	A C	A C	A C	A C
Quality Assurance Self-Assessment	A	A	A	A	A	A	A	A
Joint Admission Medical Program	A	A	A	A				
THECB Facilities Peer Review Team Revisit			A					
NCAA Compilation		A						
Adaptation of New Internal Auditing Standards	A	A	A	A	A	A	A	A
Title IX Quarterly and Annual Reporting	C	C	C	C	C	C	C	C
Continuing Education	A C	A C	A C	A C	A C	A C	A C	A C
State-Mandated Training (Compliance Office)								C

RISK-BASED FUNCTIONAL AREAS (See Appendix A)	LU	SHSU	SRSU	TXST	LIT	LSCO	LSCPA	System Administration
Auxiliary Enterprises				A				
Instruction and Academics		A		A	A			
Health & Safety	C	A C	C	A C	C	C	C	C
Financial Management	A C	A C	A C	A C	C	C	C	C
Student Services		A						
Enrollment Management	A	A	A		A			
Research & Grants	C	A C	A C	A C	C	C	C	C
Health Care Operations								
Construction & Physical Plant		A	A	A	A	A	A	A
Information Technology	A	A	A	A	A	A	A	A
Institutional Support (includes Senate Bill 17)	A C	A C	A C	A C	A C	A C	A C	A C

OTHER ACTIVITIES	LU	SHSU	SRSU	TXST	LIT	LSCO	LSCPA	System Administration
Special Projects	A C	A C	A C	A C	A C	A C	A C	A C
SACSCOC Assistance	A	A			A	A		
Internal Audit Software Solution Project								A
Audit & Compliance Liaison Activities	A C	A C	A C	A C	A C	A C	A C	A C
Clery Act Reviews	C	C	C	C	C	C	C	
State Due Date Database	C	C	C	C	C	C	C	C

✓ = One or more planned audit project(s)   ✓ = One or more planned compliance project(s)

APPENDIX A
RISK-BASED FUNCTIONAL AREAS

This chart depicts examples of (but not all) subprocesses/activities within each functional area, many of which overlap. These activities represent potential auditable units; however, some activities inherently have higher risks than others. Finite resources preclude audits of every activity listed, including those known to have higher risks. Therefore, the absence of checkmarks in the Plan for risk-based audits means that no work is planned in the corresponding functional area(s). Information technology and compliance risks surround all of the functional areas and exist within all operations.

INFORMATION TECHNOLOGY (surrounding left) — **COMPLIANCE** (surrounding right)

AUXILIARY ENTERPRISES
- Athletics
- Bookstore
- Child Development
- Faculty Club
- Food Services
- Museums
- Other External Services
- Parking
- Recreational Centers
- Residence Halls
- Service Centers
- Special Events Centers

INSTRUCTION & ACADEMICS
- Administration
- Academic Progress
- Ancillary Activities (Theater, Rodeo)
- Records (Grades)
- Charter Schools
- College of Osteopathic Medicine
- Course Overloads
- Course "Make"
- Curriculum Development
- Degree Planning
- Distance Learning
- FERPA
- Faculty Workloads
- Tuition and Fee Rates
- Institutional Reporting
- Libraries / Museums
- Recruiting (including Athletics)
- Retention
- Study Abroad

HEALTH & SAFETY
- ADA Access
- Background Checks
- Disaster Recovery
- Emergency Preparedness & Drills
- Environmental Health & Safety
- Fire Safety
- Lab Safety
- Risk Management
- Student, Faculty, & Staff IDs
- Title IX
- University Police

FINANCIAL MANAGEMENT
- Accounting
- Accounts Payable
- Accounts Receivable
- Asset Management
- Bonded Debt
- Budgeting
- Business Continuity
- Capital Assets & Depreciation
- Cashiering
- Cash Flow Management
- Financial Reporting
- Grants Accounting
- Human Resources
- Inventories
- Investments
- Payroll
- Public Private Partnerships
- Purchasing
- Revenue Collection
- Revenue Generating Activities
- Strategic Financial Management
- Treasury Services
- Unrelated Business Income Taxes

STUDENT SERVICES
- Greek Life
- Health Services
- Mental Health Services
- Disability Services
- Recreational & Athletic Centers
- Student Centers & Activities
- Student Housing
- Student Judicial Affairs
- Student Legal Services
- Student Organizations
- Support for Athletes
- Testing Centers

RESEARCH & GRANTS
- Animal Testing
- Export Controls
- Human Subjects
- Intellectual Property & Technology Transfer
- Pre-award & Award Acceptance
- Post-award Administration
- Research Facilities
- Quality & Oversight
- Research Security
- Small Business Development Centers
- Trademark & Copyright Licensing

ENROLLMENT MANAGEMENT
- Admissions
- Career Counseling
- Financial Aid
- Registration
- Scholarships & Fellowships
- Veterans' Affairs

OUTSOURCED SERVICES
- Custodial
- Distance Learning
- Food Services
- Housing
- Landscaping
- Maintenance
- Parking
- Project Management

HEALTH CARE OPERATIONS
- Access
- Charge Capture and Collection
- Health Care Center Facilities
- Patient Information (HIPAA)
- Pharmacy
- Student Injury Reporting

INSTITUTIONAL SUPPORT
- General Administration
- Alumni Relations/Development
- Endowments
- Foundations
- Fundraising
- Marketing
- Public and Governmental Relations
- Self-Supporting Enterprises
- University Support for Foundations

CONSTRUCTION & PHYSICAL PLANT
- Construction Management
- Space Utilization and Reporting
- Building Maintenance
- Custodial Services
- Landscape & Grounds
- Renovations
- Physical Plant
- Utilities

**HIGH-RISK ACTIVITIES IDENTIFIED DURING THE RISK ASSESSMENT
THAT ARE NOT INCLUDED IN THE 2025 PLAN**

LAMAR UNIVERSITY
TAC 202/NIST Control Family – Accountability, Audit and Risk Management
Effectiveness of Automated Processes (MDM) for Maintenance and Configuration Standards for Workstations
Disposal of IT Assets/Data Destruction
IT – Banner Logical Access (HR Users' Roles and Access)
Artificial Intelligence
HR Onboarding Processes
HR Business Processes
Grants Management – Post Award
Account Reconciliations
Business Continuity Plan
Compliance with Curricular Practical Training (CPT) and Optional Practical Training (OPT) Rules and Regulations
SAM HOUSTON STATE UNIVERSITY
Health-Care programs
Charter School Contracts and Activities
IT – Cloud Computing and Management of Third-Party IT Providers
IT – Backup and Recovery
Data Governance
SUL ROSS STATE UNIVERSITY
Dual Credit
Athletics – Move to Division II
Artificial Intelligence
IT - Logical Access – End User Access Reviews of Critical Applications
IT – Disaster Recovery
TEXAS STATE UNIVERSITY
Accounts Payable
Conflicts of Interest and Commitment
Data Breach and Ransomware Response Plans

Hazardous Materials and Waste Storage and Disposal
HIPAA Data and Information
IT System Access Controls for Onboarding and Offboarding of Employees
Minors on Campus
Monitoring of Electronic Access to Physical Structures
Study Abroad and International Travel - Student Safety
Student Conduct and Student Behavioral Assessment Team
Timely Warnings Regarding Clery Act Compliance
LAMAR INSTITUTE OF TECHNOLOGY
IT- Logical Access – End User Access Reviews of Critical Applications
IT – Disaster Recovery
Artificial Intelligence
Security Cameras
Camps
LAMAR STATE COLLEGE ORANGE
IT- Logical Access – End User Access Reviews of Critical Applications
IT – Disaster Recovery
Dual Credit
Artificial Intelligence
LAMAR STATE COLLEGE PORT ARTHUR
IT- Logical Access – End User Access Reviews of Critical Applications
IT – Disaster Recovery
Dual Credit
Artificial Intelligence

VII. Reporting Suspected Fraud and Abuse

The TSUS has taken the following actions to ensure compliance with requirements of Section 7.09, page IX-40, the General Appropriation Act (88th Legislature):

➢ The TSUS utilizes an internal internet-based confidential fraud reporting hotline and a telephone hotline, both of which are monitored by the Office of Internal Audit. On the main webpage for TSUS, there is a link entitled *Report Fraud & Abuse,* which redirects users to the internet-based portal and telephone line for reporting suspected fraud, waste, or abuse. The link also appears on each TSUS component's homepage. Further, each component sends periodic email reminders to its employees and students regarding confidential avenues for reporting concerns about potential fraud, waste, or abuse of resources; the lack of compliance with laws, regulations, and/or University policies and procedures; or violations of the TSUS's Code of Ethics.

Additionally, there is a link to the State Auditor's fraud reporting hotline on the TSUS webpage and each component's webpage.

Lastly, Texas State University has a local hotline that is monitored by the Office of Internal Audit.

➢ The TSUS *Rules and Regulations* place specific requirements for employees to report suspected waste, fraud, or abuse and delegates responsibility to the Chief Audit Executive to report such matters to the State Auditor's Office. The *Rules and Regulations* also include information on how to report suspected fraud involving state funds to the State Auditor's Office.

➢ The TSUS is aware of and complies with the requirements of Texas Government Code, Section 321.022, regarding reporting to the State Auditor's Office those situations where a reasonable cause to believe that money received from the state may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred. The TSUS *Rules and Regulations* explicitly state: "*Texas State University System, through the Chief Audit Executive, will report suspected fraud or unlawful conduct to the State Auditor's Office (SAO) if he or she knows of facts pointing to fraud or unlawful conduct.*" The Office of Internal Audit conducts reviews into complaints regarding potential waste, fraud, or abuse (including complaints forwarded to the TSUS by the State Auditor's Office) and provides a written response summarizing the results of those reviews.