



Internal Audit Annual Report

The Texas State University System Office of Internal Audit

Fiscal Year Ending August 31, 2025



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I. Compliance with Posting Requirements

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 (OIA) ensures compliance with Section 2102.015 through the following procedures:

- Posting its annual audit and compliance plan to the OIA webpages of the TSUS and components' websites within 30 days after formal approval by the Board of Regents ("the Board"). The *Audit and Compliance Plan Fiscal Year 2026* was approved by the Board on August 8, 2025, and has been posted as required.
- Posting this *Internal Audit Annual Report for Fiscal Year 2025* to the OIA 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 OIA 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. Internal Audit Plan for 2025

The TSUS 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 2025, amended to include the status of projects as of August 31, 2025 (except where noted), 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.

LAMAR UNIVERSITY STATUS OF PROJECTS IN FISCAL YEAR 2025 AUDIT AND COMPLIANCE PLAN

Project/Activity	Status, Report Title/Report Number, and Date Issued to External Oversight Entities
Multi-Hazard Review	Completed. TSUS Multi-Hazard Review Management Advisory Letter, 4-4-2025.
Banner Super User Access Audit	Completed. Banner Super User Access, LU-25-002, 4-10-2025.
Policy Alignment Review	Completed. TSUS Policy Alignment Management Advisory Letter, 5-28-2025.
SB 17 Audit	Completed. System-wide report: Senate Bill 17 Audit Report, 8-11-2025.
Non-IT Managed Medcat Application User Access Audit	Completed. Non-IT Managed Medcat Application User Access Audit, LU-25-003, 8-12-2025.
SB 20 - Annual Review	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2025, 8-29-2025.
SB 20 - Contract Administration Audit	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2025, 8-29-2025.
Red Flags Rule Review	Completed. TSUS Red Flags Rule Management Advisory Letter, 9-5-2025.
Non-IT Managed Millenium Application User Access Audit - LU Foundation	In progress.
IT - On-Going	On-going. Activity does not result in a report.
Follow-Up Reviews	On-going. Results posted in Board Book materials and on the TSUS webpage every quarter during the 2025 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 <i>Audit and Compliance Plan Fiscal Year 2026</i> is posted on the TSUS and components' webpages.
Internal Audit Annual Report	Completed. Internal Audit Annual Report, Texas State University System, 10-28-2024.
Continuing Education	Completed. Activity does not result in a report.
Special Projects	➤ Legislative Inquiry - response provided 4-4-2025. ➤ State Auditor's Office Complaint INTK-000006963 - completed, response provided 7-22-2025.

	➤ State Auditor's Office Complaint INTK-000007153 - in progress. ➤ THECB Complaint #20241105 - closed, 5-7-2025. ➤ THECB Complaint #20250310 - in progress. ➤ THECB Complaint #20250321 - in progress. ➤ Hotline #06-039-665 - referred to UPD, closed within the hotline system, 12-5-2024. ➤ Hotline #06-005-387 - closed within the hotline system, 1-21-2025. ➤ Hotline #06-007-891 - closed within the hotline system, 1-21-2025. ➤ Hotline #06-019-419 - closed within the hotline system, 3-31-2025. ➤ Hotline #06-074-002 - closed within the hotline system, 3-3-2025. ➤ Hotline #06-107-380 - in progress. ➤ Hotline #06-120-390 - closed within the hotline system, 4-22-2025. ➤ Hotline #06-133-178 - closed within the hotline system, 7-3-2025. ➤ Hotline #06-135-808 - in progress. ➤ Referral from Office of General Counsel, 2-5-2025 - in progress.
Respond to System Administration Requests	On-going. Activity does not result in a report. ➤ Information gathering on NIL activities and processes - completed, 11-24-2024. ➤ Student Registration Data - completed, 8-18-2025.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the OIA. ➤ State Auditor's Office, Benefits Proportionality Appropriation Year 2024 - completed, 5-16-2025. ➤ State Comptroller's Office, Payment Approval Authority and Security Fiscal Year 2024 - completed, 5-6-2025. ➤ State Comptroller's Office, Controls Over Expenditures Processing Fiscal Year 2024 - completed, 8-11-2025. ➤ State Comptroller's Office, Post Payment Audit, Fiscal Year 2024 - in progress. ➤ THECB Single Audit Evaluation Fiscal Year 2024 - completed, 6-24-2025. ➤ Mitchell T. Fontenote, CPA, Inc., KVLU - FM Radio, Financial Statements Together with Auditor's Report, August 31, 2024 (Audit Delegation 734-2025-001) - in progress.

STATUS OF PRIOR YEAR PROJECTS

Project/Activity	Report Title/Report Number, and Date Issued to External Oversight Entities
Mental Health Resources	Completed. Internal compilation of surveys regarding utilization of a vendor's services, 11-25-2024.
Pregnant and Parenting Students	Completed. TSUS Pregnant and Parenting Management Advisory Letter, 12-9-2024.
Quality Assurance Self-Assessment	Completed. TSUS SA MAL, 1-23-2025.
Special Projects	➤ State Auditor's Office Complaint INTK-000004680 - completed, response provided 10-14-2024. ➤ State Auditor's Office Complaint INTK-000004324 - in progress. ➤ State Auditor's Office Complaint INTK-000004626 - in progress. ➤ EthicsPoint #106 - in progress. ➤ Hotline #05-844-026 - in progress. ➤ Hotline #05-867-469 - in progress.

	➤ Hotline #05-880-602 - closed within the hotline system, 5-7-2025. ➤ Hotline #05-916-678 - in progress. ➤ Hotline #05-964-007 - closed within the hotline system, 3-15-2025.
Audit Liaison Activities	➤ State Auditor's Office, Statewide Single Audit Compliance Follow-up Fiscal Year 2024 - completed, 3-28-2025. ➤ State Auditor's Office, Schedule of Federal Assistance Fiscal Year 2024 - completed, 3-28-2025. ➤ State Comptroller's Office, Controls Over Expenditures Processing Fiscal Year 2023 - completed, 11-25-2024. ➤ THECB Single Audit Evaluation Fiscal Year 2023 - completed, 9-11-2024. ➤ Weaver and Tidwell, L.L.P., NCAA Agreed-Upon Procedures for Fiscal Year 2024 (Audit Delegation 734-2024-001) - completed, 1-24-2025.

SAM HOUSTON STATE UNIVERSITY
STATUS OF PROJECTS IN FISCAL YEAR 2025 AUDIT AND COMPLIANCE PLAN

Project/Activity	Status, Report Title/Report Number, and Date Issued to External Oversight Entities
Joint Admission Medical Program Audit	Completed. Appropriateness of Joint Admission Medical Program (JAMP) Expenditures, SHSU-25-001, 10-28-2024.
NCAA Compilation	Completed. NCAA Financial Statement Compilation, Fiscal Year 2024, SHSU-2025-003, 1-23-2025.
Multi-Hazard Review	Completed. TSUS Multi-Hazard Review Management Advisory Letter, 4-4-2025.
Policy Alignment Review	Completed. TSUS Policy Alignment Management Advisory Letter, 5-28-2025.
SB 17 Audit	Completed. System-wide report: Senate Bill 17 Audit Report, 8-11-2025.
SB 20 - Annual Review	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2025, 8-29-2025.
SB 20 - Contract Administration	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2025, 8-29-2025.
Red Flags Rule Review	Completed. TSUS Red Flags Rule Management Advisory Letter, 9-5-2025.
Grant Management Process Audit	In progress.
Student Services Fees	In progress.
Database Security and Administration Review	In progress.
Follow-Up Reviews	On-going. Results posted in Board Book materials and on the TSUS webpage every quarter during the 2025 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 <i>Audit and Compliance Plan Fiscal Year 2026</i> is posted on the TSUS and components' webpages.
Internal Audit Annual Report	Completed. Internal Audit Annual Report, Texas State University System, 10-28-2024.
Continuing Education	Completed. Activity does not result in a report.
Special Projects	➤ Legislative Inquiry - response provided 4-4-2025. ➤ THECB Complaint #20250416 - completed, 6-6-2025. ➤ SHSU Hotline #06-004-614 - closed within the hotline system, 10-2-2024. ➤ SHSU Hotline #06-004-619 - closed within the hotline system, 10-2-2024. ➤ SHSU Hotline #06-030-824 - closed within the hotline system, 11-9-2024.

	➤ SHSU Hotline #06-036-272 - referred to Vice President for University Advancement, closed within the hotline system, 3-3-2025. ➤ SHSU Hotline #06-124-668 (also, via email 4-24-2025) - closed within the hotline system, 5-5-2025. ➤ SHSU Hotline #06-154-064 - closed within the hotline system, 8-19-2025. ➤ SHSU Hotline #06-149-361 - in progress as a Fiscal Year 2026 audit. ➤ SHSU Hotline #06-084-887 - in progress as a Fiscal Year 2026 audit. ➤ Walk-in Complaint, 4-1-2025 - closed 7-9-2025. ➤ Participated as a process owner in procurement activities related to audit management software.
Respond to System Administration Requests	On-going. Activity does not result in a report. ➤ Information gathering on NIL activities and processes - completed, 11-24-2024. ➤ Student Registration Data - completed, 8-18-2025.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the OIA. ➤ Department of Public Safety, Crime Records Division Compliance and Training - completed, 12-13-2024. ➤ State Comptroller's Office, Payment Approval Authority and Security Fiscal Year 2024 - completed, 5-6-2025. ➤ State Comptroller's Office, Controls Over Expenditures Processing Fiscal Year 2024 - completed, 8-11-2025. ➤ THECB Formula Funding Desk Review - completed, 1-10-2025. ➤ THECB Single Audit Evaluation Fiscal Year 2024 - completed, 6-24-2025. ➤ U.S. Department of Agriculture, Cooperative Agreements FAIN# AP21PPQS&T00C017 and FAIN #AP22PPQFO000C401 - in progress. ➤ U.S. Department of Justice, Project Safe Neighborhood - in progress. ➤ Apple & Odom, LLC, SHSU AUP Report Perkins FINAL (Audit Delegation 753-2025-003) - completed, 3-4-2025. ➤ Axley and Rode, L.L.P., SHSU Charter School Fiscal Year 2024 (Audit Delegation 753-2025-001) - completed, 2-12-2025. ➤ Axley and Rode, L.L.P., NCAA Agreed-Upon Procedures for Fiscal Year 2024 (Audit Delegation 753-2025-002) - completed, 2-12-2025.

STATUS OF PRIOR YEAR PROJECTS

Project/Activity	Report Title/Report Number, and Date Issued to External Oversight Entities
Mental Health Resources	Completed. Internal compilation of surveys regarding utilization of a vendor's services, 11-25-2024.
Pregnant and Parenting Students	Completed. TSUS Pregnant and Parenting Management Advisory Letter, 12-9-2024.
Quality Assurance Self-Assessment	Completed. TSUS SA MAL, 1-23-2025.
Enrollment Technologies Audit	In progress.

Special Projects	➤ SHSU Hotline #05-912-165 - completed, Internal Management Advisory Letter, 1-6-2025. ➤ SHSU Hotline #05-912-514 - completed, Internal Management Advisory Letter, 1-6-2025. ➤ SHSU Hotline #05-912-517 - completed, Internal Management Advisory Letter, 1-6-2025. ➤ SHSU Hotline #05-912-519 - completed, Internal Management Advisory Letter, 1-6-2025. ➤ SHSU Hotline #05-912-525 - completed, Internal Management Advisory Letter, 1-6-2025. ➤ SHSU Hotline #05-950-456 - referred to University Police, closed within the hotline system, 10-7-2024. ➤ SHSU Hotline #05-950-657 - referred to University Police, closed within the hotline system, 10-7-2024.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the OIA. ➤ Governor's Office, Public Safety Grant - completed, 9-7-2024. ➤ State Auditor's Office, Statewide Single Audit Compliance Follow-up Fiscal Year 2024 - completed, 3-28-2025. ➤ State Auditor's Office, Schedule of Federal Assistance Fiscal Year 2024 - completed, 3-28-2025. ➤ State Comptroller's Office, Controls Over Expenditures Processing Fiscal Year 2023 - completed, 11-25-2024. ➤ Texas Education Agency, Charter School - completed, 4-7-2025. ➤ THECB Single Audit Evaluation Fiscal Year 2023 - completed, 9-11-2024. ➤ University of Houston, Small Business Development Center CY 2022 - in progress.

SUL ROSS STATE UNIVERSITY
STATUS OF PROJECTS IN FISCAL YEAR 2025 AUDIT AND COMPLIANCE PLAN

Project/Activity	Status, Report Title/Report Number, and Date Issued to External Oversight Entities
Joint Admission Medical Program Audit	Completed. Joint Admission Medical Program (JAMP) Agreement and Expenditure Guidelines Compliance, SRSU 25-001, 11-27-2024.
Multi-Hazard Review	Completed. TSUS Multi-Hazard Review Management Advisory Letter, 4-4-2025.
Policy Alignment Review	Completed. TSUS Policy Alignment Management Advisory Letter, 5-28-2025.
SB 17	Completed. System-wide report: Senate Bill 17 Audit Report, 8-11-2025.
SB 20 - Annual Review	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2025, 8-29-2025.
SB 20 - Contract Administration	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2025, 8-29-2025.
Red Flags Rule Review	Completed. TSUS Red Flags Rule Management Advisory Letter, 9-5-2025.
Follow-Up Reviews	On-going. Results posted in Board Book materials and on the TSUS webpage every quarter during the 2025 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 <i>Audit and Compliance Plan Fiscal Year 2026</i> is posted on the TSUS and components' webpages.
Internal Audit Annual Report	Completed. Internal Audit Annual Report, Texas State University System, 10-28-2024.
Special Projects	➤ Legislative Inquiry - response provided 4-4-2025. ➤ SRSU Hotline #06-013-114 - closed within the hotline system, 11-7-2024. ➤ SRSU Hotline #06-019-110 - closed within the hotline system, 12-5-2024. ➤ SRSU Hotline #06-140-826 - closed within the hotline system, 6-20-2025. ➤ SRSU Hotline #06-140-828 - closed within the hotline system, 6-20-2025. ➤ SRSU Hotline #06-140-848 - closed within the hotline system, 6-20-2025. ➤ SRSU Hotline #06-140-849 - closed within the hotline system, 8-20-2025. ➤ SRSU Hotline #06-140-850 - closed within the hotline system, 8-18-2025. ➤ SRSU Hotline Email Complaint, 12-9-2024 - closed within the hotline system, 4-4-2025. ➤ SRSU Telephone Hotline, 10-29-2024 - closed within the hotline system, 3-31-2025.

	➤ Notification by Management - addressed by UPD and closed within the hotline system and with the State Auditor's Office, 4-23-2025.
Respond to System Administration Requests	On-going. Activity does not result in a report. ➤ Information gathering on NIL activities and processes - completed, 11-24-2024. ➤ Student Registration Data - completed, 8-18-2025.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the OIA. ➤ State Auditor's Office, Benefits Proportionality Appropriation Year 2024 (at RGC) - completed, 5-16-2025. ➤ State Comptroller's Office, Payment Approval Authority and Security Fiscal Year 2024 - completed, 5-6-2025. ➤ State Comptroller's Office, Controls Over Expenditures Processing Fiscal Year 2024 - completed, 8-11-2025. ➤ THECB Facilities Peer Review Audit - completed, 5-6-2025. ➤ THECB Formula Funding Desk Review (at RGC) - completed, 5-16-2025. ➤ THECB Single Audit Evaluation Fiscal Year 2024 - completed, 6-24-2025. ➤ U.S. Department of Commerce, Connecting Minority Communities Pilot Program - completed, 4-22-2025. ➤ Apple & Odom, LLC, SRSU AUP Report Perkins FINAL (Delegation 756-2024-001) - completed 3-3-2025. ➤ NCAA Agreed-Upon Procedures Fiscal Year 2025 (Delegation 756-2025-001) - audit contract procurement in progress.

STATUS OF PRIOR YEAR PROJECTS

Project/Activity	Report Title/Report Number, and Date Issued to External Oversight Entities
Mental Health Resources	Completed. Internal compilation of surveys regarding utilization of a vendor's services, 11-25-2024.
Pregnant and Parenting Students	Completed. TSUS Pregnant and Parenting Management Advisory Letter, 12-9-2024.
Quality Assurance Self-Assessment	Completed. TSUS SA MAL, 1-23-2025.
Overloads	Completed. SRSU-23-003 Faculty Overloads, 4-28-2025.
Special Projects	➤ Presidential Request, Utilization of Athletics Space - completed, SRSU 23-004 Facilities Usage, 5-30-2025. ➤ RGC Enrollment Data Review - completed, presentation to management, 1-28-2025. ➤ SRSU Hotline #05-932-111 - in progress. ➤ SRSU Hotline #05-970-076 - closed in hotline system, 1-10-2025. ➤ SRSU Internal Complaint - in progress.
Audit Liaison Activities	➤ State Comptroller's Office, Controls Over Expenditures Processing Fiscal Year 2023 - completed, 11-25-2024. ➤ THECB Single Audit Evaluation Fiscal Year 2023 - completed, 9-11-2024.

TEXAS STATE UNIVERSITY
STATUS OF PROJECTS IN FISCAL YEAR 2025 AUDIT AND COMPLIANCE PLAN

Project/Activity	Status, Report Title/Report Number, and Date Issued to External Oversight Entities
Joint Admission Medical Program	Completed. Joint Admission Medical Program (JAMP) Agreement and Expenditure Guidelines Compliance, TXST 25-001, 10-28-2024.
Multi-Hazard Review	Completed. TSUS Multi-Hazard Review Management Advisory Letter, 4-4-2025.
Policy Alignment Review	Completed. TSUS Policy Alignment Management Advisory Letter, 5-28-2025.
SB 17	Completed. System-wide report: Senate Bill 17 Audit Report, 8-11-2025.
SB 20 - Annual Review	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2025, 8-29-2025.
SB 20 - Contract Administration	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2025, 8-29-2025.
Red Flags Rule Review	Completed. TSUS Red Flags Rule Management Advisory Letter, 9-5-2025.
Banner Access Controls of Personally Identifiable Information	In progress.
Parking, Ticketing, and Collections	In progress.
TRIO	In progress.
Follow-Up Reviews	On-going. Results posted in Board Book materials and on the TSUS webpage every quarter during the 2025 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 <i>Audit and Compliance Plan Fiscal Year 2026</i> is posted on the TSUS and components' webpages.
Internal Audit Annual Report	Completed. Internal Audit Annual Report, Texas State University System, 10-28-2024.
Continuing Education	Completed. Activity does not result in a report.
Special Projects	➤ Legislative Inquiry - response provided 4-4-2025. ➤ State Auditor's Office Complaint INTK-000005825 - completed, response provided 11-15-2024. ➤ State Auditor's Office Complaint INTK-000007069 - completed, response provided 8-5-2025. ➤ THECB Complaint 1-22-2025 - closed within the hotline system, 2-14-2025. ➤ THECB Complaint #20240412 - closed within the hotline system, 7-1-2025.

	➤ THECB Complaint #20240803 - closed within the hotline system, 7-18-2025. ➤ THECB Complaint #20250121- referred to the Office of General Counsel, closed within the hotline system, 2-14-2025. ➤ EthicsPoint #86 - deferred to planned audit in Fiscal Year 2026 (NCAA Compliance Audit). ➤ TXST Hotline #05-990-772 - closed within the hotline system, 9-23-2024. ➤ TXST Hotline #05-992-533 - closed within the hotline system, 2-5-2025. ➤ TXST Hotline #05-993-204 - closed within the hotline system, 9-30-2024. ➤ TXST Hotline #05-993-211 - closed within the hotline system, 9-30-2024. ➤ TXST Hotline #05-996-074 - closed within the hotline system, 10-7-2024. ➤ TXST Hotline #06-014-522 - closed within the hotline system, 10-18-2024. ➤ TXST Hotline #06-016-087 - closed within the hotline system, 10-22-2024. ➤ TXST Hotline #06-025-949 - closed within the hotline system, 11-8-2024. ➤ TXST Hotline #06-029-736 - closed within the hotline system, 11-13-2024. ➤ TXST Hotline #06-032-158 - closed within the hotline system, 11-27-2024. ➤ TXST Hotline #06-041-519 - closed within the hotline system, 7-1-2025. ➤ TXST Hotline #06-042-969 - closed within the hotline system, 12-10-2024. ➤ TXST Hotline #06-073-200 - closed within the hotline system, 2-7-2025. ➤ TXST Hotline #06-073-534 - closed within the hotline system, 1-31-2025. ➤ TXST Hotline #06-073-887- closed within the hotline system, 2-10-2025. ➤ TXST Hotline #06-074-652 - closed within the hotline system, 2-10-2025. ➤ TXST Hotline #06-075-989 - closed within the hotline system, 2-10-2025. ➤ TXST Hotline #06-076-943 - closed within the hotline system, 8-3-2025. ➤ TXST Hotline #06-084-162 - closed within the hotline system, 2-24-2025. ➤ TXST Hotline #06-093-564 - closed within the hotline system, 3-10-2025. ➤ TXST Hotline #06-101-625 - closed within the hotline system, 4-2-2025. ➤ TXST Hotline #06-108-127 - closed within the hotline system, 5-8-2025. ➤ TXST Hotline #06-110-081 - closed within the hotline system, 5-8-2025.
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	➤ TXST Hotline #06-132-285 - closed within the hotline system, 6-24-2025. ➤ TXST Hotline #06-136-441 - closed within the hotline system, 7-3-2025. ➤ TXST Hotline #06-138-322 - closed within the hotline system, 6-13-2025. ➤ TXST Hotline #06-143-267 - closed within the hotline system, 5-31-2025. ➤ TXST Hotline #06-154-441 - in progress. ➤ TXST Hotline #06-154-844 - closed within the hotline system, 7-7-2025. ➤ TXST Hotline #06-158-877 - closed within the hotline system, 7-21-2025. ➤ TXST Hotline #06-173-036 - in progress. ➤ TXST Hotline #06-049-402 - closed within the hotline system, 2-4-2025. ➤ TXST Hotline Email, 9-11-2024 - closed within the hotline system, 10-7-2024. ➤ TXST Telephone Hotline, 9-24-2024 - referred to Human Resources, closed within the hotline system, 10-18-2024. ➤ TXST Telephone Hotline, 2-6-2025 - closed within the hotline system, 2-13-2025. ➤ TXST Telephone Hotline, 11-10-2024 - referred to Title IX, closed within the hotline system, 11-10-2024. ➤ TXST Telephone Hotline, 1-28-2025 - referred to UPD, closed within the hotline system, 1-29-2025. ➤ TXST through TSUS Hotline Email, 10-30-2024 - closed within the hotline system, 10-31-2024. ➤ TXST through TSUS Hotline Email, 11-4-2024 - closed within the hotline system, 10-31-2024 (duplicate of previous complaint). ➤ TXST through TSUS Hotline Email, 3-10-2025 - closed within the hotline system, 3-10-2025. ➤ TXST through TSUS Hotline Email, 3-13-2025 - referred to UPD, closed within the hotline system, 3-13-2025. ➤ TXST through TSUS Telephone Hotline, 2-19-2025 - referred to UPD, closed within the hotline system, 3-5-2025. ➤ TXST through TSUS Hotline Email (see also TXST Hotline #06-041-519), 11-19-2024 - closed within the hotline system, 7-1-2025. ➤ TXST through TSUS Hotline Email 8-28-2025 - referred to the Office of General Counsel, closed within the hotline system, 8-28-2025. ➤ TXST Hotline Email 7-17-2025 (see also SAO INTK-000005825) - closed within the hotline system, 8-20-2025. ➤ Call in, 11-27-2024 - closed within the hotline system, 2-10-2025. ➤ Management referral, 7-15-2025 - closed within the hotline system, 8-18-2025.
Respond to System Administration Requests	On-going. Activity does not result in a report. ➤ Information gathering on NIL activities and processes - completed, 11-24-2024. ➤ Student Registration Data - completed, 8-18-2025.
Audit Liaison Activities	These activities do not result in a report issued by the OIA.

	➤ Department of Agriculture, Child and Adult Care Food Program Fiscal Year 2024 - completed, 7-17-2025. ➤ State Comptroller's Office, Payment Approval Authority and Security Fiscal Year 2024 - completed, 5-6-2025. ➤ State Comptroller's Office, Controls Over Expenditures Processing Fiscal Year 2024 - completed, 8-11-2025. ➤ State Comptroller's Office, Post Payment and Benefits Proportionality - in progress. ➤ Texas A & M Engineering Extension Service, National Emergency Response and Recovery Training Center, ALERRTC Subrecipient Agreement No. 44-100245 - EMW-2022-CA-00009 - in progress. ➤ THECB Formula Funding Desk Review - completed, 1-10-2025. ➤ THECB Single Audit Evaluation Fiscal Year 2024 - completed, 6-24-2025. ➤ Government Accountability Office, Administration for Family and Children's Sexual Risk Avoidance Education Grant- completed, 4-15-2025. ➤ U.S. Department of Agriculture, FDA Tobacco Retail Compliance Check Inspection Program - in progress. ➤ U.S. Department of Justice, NIJ Grant FY21 Research and Evaluation on Policing - completed, 7-17-2025. ➤ U.S. Department of Justice, Office of Community Oriented Policing Services - completed, 7-17-2025. ➤ U.S. Department of Justice, STOP School Violence Grant Program - in progress. ➤ Aprio, LLP, McCoy Foundation Fiscal Year 2025 (Delegation 754-2025-002) - in progress. ➤ Atchley & Associates, LLP, McCoy Foundation Fiscal Year 2024 (Delegation 754-2024-003) - completed, 3-3-2025. ➤ James Moore & Co., P.L., NCAA Agreed-Upon Procedures, Fiscal Year 2024 (Delegation 754-2024-004) - completed, 1-24-2025. ➤ James Moore & Co., P.L., NCAA Agreed-Upon Procedures Fiscal Year 2025 (Delegation 754-2025-003) - in progress. ➤ Montemayor Britton Bender, PC, Student Financial Aid (Title IV) Fiscal Year 2025 (Delegation 754-2025-001) - in progress.
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STATUS OF PRIOR YEAR PROJECTS

Project/Activity	Report Title/Report Number, and Date Issued to External Oversight Entities
Mental Health Resources	Completed. Internal compilation of surveys regarding utilization of a vendor's services, 11-25-2024.
Pregnant and Parenting Students	Completed. TSUS Pregnant and Parenting Management Advisory Letter, 12-9-2024.
Quality Assurance Self-Assessment	Completed. TSUS SA MAL, 1-23-2025.
Background Checks	Suspended. Utilization of a new vendor to provide background check services resulted in numerous process changes. Activity will be re-evaluated as part of the fiscal year 2027 risk assessment.
Laboratory Safety	In progress.

Monitoring Technology Services Provided by External Vendors Audit	In progress.
Monitoring External Vendors' Use of University Technology	In progress.
Special Projects	➤ TXST Hotline #05-936-896 - closed within the hotline system, 10-4-2024. ➤ TXST Hotline #05-936-897 - closed within the hotline system, 10-4-2024. ➤ TXST Hotline #05-936-905 - closed within the hotline system, 10-4-2024. ➤ TXST Internal Referral - completed, reported to State Auditor's Office, 12-13-2024.
Audit Liaison Activities	➤ State Auditor's Office, Statewide Single Audit Compliance Follow-up Fiscal Year 2024 - completed, 3-28-2025. ➤ State Auditor's Office, Schedule of Federal Assistance Fiscal Year 2024 - completed, 3-28-2025. ➤ State Auditor's Office, Texas School Safety Center - completed, 1-10-2025. ➤ State Comptroller's Office, Controls Over Expenditures Processing Fiscal Year 2023 - completed, 11-25-2024. ➤ State Comptroller's Office, Limited Sales, Excise and Use Tax - completed, 7-17-2025. ➤ THECB Single Audit Evaluation Fiscal Year 2023 - completed, 9-11-2024. ➤ THECB Texas Research Incentive Program (TRIP) - completed, 6-27-2025. ➤ U.S. Department of Health and Human Services, Sexual Risk Avoidance Education/Personal Responsibility Education Program - completed, 5-24-2025. ➤ U.S. Department of Justice, Office of Community Oriented Policing Services - completed, 11-21-2024. ➤ U.S. Department of Agriculture, National Institute of Food and Agriculture Compliance Review - completed, 8-2-2025. ➤ Montemayor Britton Bender, PC, Student Financial Aid (Title IV) Fiscal Year 2024 (Delegation 754-2024-002) - completed, 1-24-2025.

LAMAR INSTITUTE OF TECHNOLOGY
STATUS OF PROJECTS IN FISCAL YEAR 2025 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.
SB 17	Completed. System-wide report: Senate Bill 17 Audit Report, 8-11-2025.
Multi-Hazard Review	Completed. TSUS Multi-Hazard Review Management Advisory Letter, 4-4-2025.
Policy Alignment Review	Completed. TSUS Policy Alignment Management Advisory Letter, 5-28-2025.
Red Flags Rule Review	Completed. TSUS Red Flags Rule Management Advisory Letter, 9-5-2025.
SB 20 - Annual Review	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2025, 8-29-2025.
SB 20 - Contract Administration	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2025, 8-29-2025.
Dual Credit	In progress.
Follow-Up Reviews	On-going. Results posted in Board Book materials and on the TSUS webpage every quarter during the 2025 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 <i>Audit and Compliance Plan Fiscal Year 2026</i> is posted on the TSUS and components' webpages.
Internal Audit Annual Report	Completed. Internal Audit Annual Report, Texas State University System, 10-28-2024.
Continuing Education	Completed. Activity does not result in a report.
Special Projects	➤ Legislative Inquiry - response provided 4-4-2025. ➤ LIT Hotline #06-068-872 - closed within the hotline system, 1-24-2025. ➤ LIT Hotline #06-155-574 - closed within the hotline system, 7-10-2025. ➤ LIT Hotline #06-161-997 - closed within the hotline system, 7-19-2025.
Respond to System Administration Requests	On-going. Activity does not result in a report. ➤ Information gathering on NIL activities and processes - completed, 11-24-2024. ➤ Student Registration Data - completed, 8-18-2025.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the OIA. ➤ State Comptroller's Office, Payment Approval Authority and Security Fiscal Year 2024 - completed, 5-6-2025. ➤ State Comptroller's Office, Controls Over Expenditures Processing Fiscal Year 2024 - completed, 8-11-2025. ➤ THECB Perkins Desk Review Fiscal Year 2024 - completed, 6-24-2025. ➤ THECB Single Audit Evaluation Fiscal Year 2024 - completed, 6-24-2025. ➤ Texas Workforce Commission, JET Grant - completed, 7-17-2025. ➤ U.S. Department of Veteran's Affairs, Compliance Survey - completed, 4-7-2025.

	➤ U.S. Occupational Safety and Health Administration Susan Harwood Safety Training - completed, 8-19-2025.
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STATUS OF PRIOR YEAR PROJECTS

Project/Activity	Report Title/Report Number, and Date Issued to External Oversight Entities
Mental Health Resources	Completed. Internal compilation of surveys regarding utilization of a vendor's services, 11-25-2024.
Pregnant and Parenting Students	Completed. TSUS Pregnant and Parenting Management Advisory Letter, 12-9-2024.
Quality Assurance Self-Assessment	Completed. TSUS SA MAL, 1-23-2025.
Special Projects	Investigation of reported concerns - in progress.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the OIA. ➤ State Comptroller's Office, Controls Over Expenditures Processing Statewide Desk Audit Fiscal Year 2023 - completed, 11-25-2024. ➤ THECB Single Audit Evaluation Fiscal Year 2023 - completed, 9-11-2024. ➤ Apple Odom, LLC, Agreed-Upon Procedures, Student Financial Aid Fiscal Year 2024 (Delegation 789-2024-001) - completed, 9-24-2024.

LAMAR STATE COLLEGE ORANGE
STATUS OF PROJECTS IN FISCAL YEAR 2025 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.
SB 17	Completed. System-wide report: Senate Bill 17 Audit Report, 8-11-2025.
Multi-Hazard Review	Completed. TSUS Multi-Hazard Review Management Advisory Letter, 4-4-2025.
Policy Alignment Review	Completed. TSUS Policy Alignment Management Advisory Letter, 5-28-2025.
Red Flags Rule Review	Completed. TSUS Red Flags Rule Management Advisory Letter, 9-5-2025.
SB 20 - Annual Review	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2025, 8-29-2025.
SB 20 - Contract Administration	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2025, 8-29-2025.
Follow-Up Reviews	On-going. Results posted in Board Book materials and on the TSUS webpage every quarter during the 2025 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 <i>Audit and Compliance Plan Fiscal Year 2026</i> is posted on the TSUS and components' webpages.
Internal Audit Annual Report	Completed. Internal Audit Annual Report, Texas State University System, 10-28-2024.
Continuing Education	Completed. Activity does not result in a report.
Special Projects	➤ Legislative Inquiry - response provided 4-4-2025. ➤ Management concerns, also State Auditor's Office Complaint INTK-000006600 - completed, response provided to State Auditor's Office, 8-19-2025.
Respond to System Administration Requests	On-going. Activity does not result in a report. ➤ Information gathering on NIL activities and processes - completed, 11-24-2024. ➤ Student Registration Data - completed, 8-18-2025.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the OIA. ➤ State Comptroller's Office, Payment Approval Authority and Security Fiscal Year 2024 - completed, 5-6-2025. ➤ State Comptroller's Office, Controls Over Expenditures Processing Fiscal Year 2024 - completed, 8-11-2025. ➤ THECB Perkins Desk Review Fiscal Year 2024 - completed, 6-24-2025. ➤ THECB Single Audit Evaluation Fiscal Year 2024 - completed, 6-24-2025.

STATUS OF PRIOR YEAR PROJECTS

Project/Activity	Report Title/Report Number, and Date Issued to External Oversight Entities
Mental Health Resources	Completed. Internal compilation of surveys regarding utilization of a vendor's services, 11-25-2024.
Pregnant and Parenting Students	Completed. TSUS Pregnant and Parenting Management Advisory Letter, 12-9-2024.
Quality Assurance Self-Assessment	Completed. TSUS SA MAL, 1-23-2025.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the OIA. ➤ THECB Office of Civil Rights Compliance Review - completed, 9-11-2024. ➤ THECB Texas Education Opportunity Grant Review Fiscal Year 2023 - completed, 9-11-2024. ➤ THECB Single Audit Evaluation Fiscal Year 2023 - completed, 9-11-2024. ➤ State Comptroller's Office, Controls Over Expenditures Processing Statewide Desk Audit Fiscal Year 2023 - completed, 11-25-2024.

LAMAR STATE COLLEGE PORT ARTHUR
STATUS OF PROJECTS IN FISCAL YEAR 2025 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.
SB 17	Completed. System-wide report: Senate Bill 17 Audit Report, 8-11-2025.
Multi-Hazard Review	Completed. TSUS Multi-Hazard Review Management Advisory Letter, 4-4-2025.
Policy Alignment Review	Completed. TSUS Policy Alignment Management Advisory Letter, 5-28-2025.
Red Flags Rule Review	Completed. TSUS Red Flags Rule Management Advisory Letter, 9-5-2025.
SB 20 - Annual Review	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2025, 8-29-2025.
SB 20 - Contract Administration	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2024, 8-29-2025.
Follow-Up Reviews	On-going. Results posted in Board Book materials and on the TSUS webpage every quarter during the 2025 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 <i>Audit and Compliance Plan Fiscal Year 2026</i> is posted on the TSUS and components' webpages.
Internal Audit Annual Report	Completed. Internal Audit Annual Report, Texas State University System, 10-28-2024.
Continuing Education	Completed. Activity does not result in a report.
Special Projects	Legislative Inquiry - response provided 4-4-2025.
Respond to System Administration Requests	On-going. Activity does not result in a report. ➤ Information gathering on NIL activities and processes - completed, 11-24-2024. ➤ Student Registration Data - completed, 8-18-2025.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the OIA. ➤ State Auditor's Office, Follow-up on HUB & State Use Program Audit Management Action Plans – completed, 12-5-2024. ➤ State Comptroller's Office, Payment Approval Authority and Security Fiscal Year 2024 - completed, 5-6-2025. ➤ State Comptroller's Office, Controls Over Expenditures Processing Fiscal Year 2024 - completed, 8-11-2025. ➤ THECB Perkins Desk Review Fiscal Year 2024 - completed, 6-24-2025. ➤ THECB Single Audit Evaluation Fiscal Year 2024 - completed, 6-24-2025. ➤ U.S. Department of Veteran's Affairs, Compliance Survey - completed, 4-7-2025.

STATUS OF PRIOR YEAR PROJECTS

Project/Activity	Report Title/Report Number, and Date Issued to External Oversight Entities
Mental Health Resources	Completed. Internal compilation of surveys regarding utilization of a vendor's services, 11-25-2024.
Pregnant and Parenting Students	Completed. TSUS Pregnant and Parenting Management Advisory Letter, 12-9-2024.
Quality Assurance Self-Assessment	Completed. TSUS SA MAL, 1-23-2025.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the OIA. ➤ THECB Single Audit Evaluation Fiscal Year 2023 - completed, 9-11-2024. ➤ THECB FY 2022 Perkins Desk Review - completed, 9-24-2024. ➤ State Comptroller's Office, Controls Over Expenditures Processing Statewide Desk Audit Fiscal Year 2023 - completed, 11-25-2024.

SYSTEM ADMINISTRATION
STATUS OF PROJECTS IN FISCAL YEAR 2025 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 10-24-2024.
Multi-Hazard Review	Completed. TSUS Multi-Hazard Review Management Advisory Letter, 4-4-2025.
Policy Alignment Review	Completed. TSUS Policy Alignment Management Advisory Letter, 5-28-2025.
SB 17	Completed. System-wide report: Senate Bill 17 Audit Report, 8-11-2025.
SB 20 - Annual Review	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2025, 8-29-2025.
SB 20 - Contract Administration	Completed. System-wide report: Management Advisory Letter - Senate Bill 20 Required Audits for Fiscal Year 2025, 8-29-2025.
Red Flags Rule Review	Completed. TSUS Red Flags Rule Management Advisory Letter, 9-5-2025.
Construction Audits (Delegation #758-2025-001)	➤ LU Mary and John Gray Library Renovation - in progress. ➤ SHSU COM Parking Structure - in progress. ➤ SHSU Gibbs Ranch - in progress. ➤ TXST Hilltop Housing - in progress. ➤ LIT Workforce and Allied Health Training - in progress. ➤ LSCO Academic Building - in progress. ➤ LSCPA Industrial Training Center Renovation - in progress.
Follow-Up Reviews	On-going. Results posted in Board Book materials and on the TSUS webpage every quarter during the 2025 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 <i>Fiscal Year 2026 Audit and Compliance Plan Fiscal Year 2026</i> is posted on the TSUS and components' webpages.
Internal Audit Annual Report	Completed. Internal Audit Annual Report, Texas State University System, 10-28-2024.
Continuing Education	Completed. Activity does not result in a report.
Special Projects	➤ Legislative Inquiry - response provided 4-4-2025. ➤ State "Due Date" database - completed, 11-24-2024.
Respond to System Administration Requests	On-going. Activity does not result in a report. ➤ Information gathering on NIL activities and processes - completed, 11-24-2024. ➤ Student Registration Data - completed, 8-18-2025.
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 OIA. ➤ State Auditor's Office, Contract Monitoring - completed, 4-28-2025.

	➤ State Comptroller's Office, Payment Approval Authority and Security Fiscal Year 2024 - completed, 5-6-2025. ➤ State Comptroller's Office, Controls Over Expenditures Processing Fiscal Year 2024 - completed, 8-11-2025. ➤ Allman & Associates, Inc., TSUS Foundation Annual Financial Report Fiscal Year 2025 (Delegation #758-2025-005) - in progress. ➤ R.L. Townsend, LLC, Construction Audits (Delegation #758-2025-001), multiple projects - see status as noted above under the "Construction Audits" project.
Compliance Program Enhancements	On-going. Activity does not result in a report.
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
Mental Health Resources	Completed. Internal compilation of surveys regarding utilization of a vendor's services, 11-25-2024.
Pregnant and Parenting Students	Completed. TSUS Pregnant and Parenting Management Advisory Letter, 12-9-2024.
Quality Assurance Self-Assessment	Completed. TSUS SA MAL, 1-23-2025.
Construction Audits (Delegation 758-2023-002)	➤ SHSU Newton Gresham Library Renovation - completed, 5-6-2025. ➤ SRSU Museum of the Big Bend Annex System - completed, 10-1-2024. ➤ TXST University Police Department - completed, 10-4-2024. ➤ TXST TV and Film Studios Building (Live Oak Hall) - in progress.
Audit Liaison Activities	On-going. Activity does not result in a report issued by the OIA. ➤ State Comptroller's Office, Controls Over Expenditures Processing Statewide Desk Audit Fiscal Year 2023 - completed, 11-25-2024. ➤ Allman & Associates, Inc., TSUS Foundation Annual Financial Report Fiscal Year 2024 (Delegation #758-2024-001) - completed, 11-1-2024. ➤ R.L. Townsend, LLC, Construction Audits (Delegation #758-2023-002), multiple projects, see status as noted above under the "Construction Audits" project.

III. Consulting Services and Other Activities

Consulting services are defined in Govt Code 2102 as “*advisory and related client service activities, the nature and scope of which are agreed upon with the client and are intended to add value and improve an organization's operations. Consulting services include counsel, advice, facilitation, and training.*” Except for responses to legislative inquiries, these activities do not typically result in formal reports. The following bulleted lists represent consulting and nonaudit services conducted during Fiscal Year 2025.

COMPONENTS

LAMAR UNIVERSITY, LAMAR INSTITUTE OF TECHNOLOGY, LAMAR STATE COLLEGE ORANGE, LAMAR STATE COLLEGE PORT ARTHUR

- 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 Texas State University System in gathering information responsive to a legislative inquiry related to fraud, waste, and abuse reports received and processed for the Lamar components for the period January 2021 through April 2025.
- Provided support to the Texas State University System Board in researching and gathering information regarding Name, Image, Likeness (NIL) compliance, NIL-related activities, cooperatives, and applicable policies, procedures, and processes at the Lamar components.
- Deployed self-assessment inventory templates for use by the Lamar components 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, 2024.
- Performed an analysis of NCAA-related financial information for the year ending August 31, 2024 and provided a summary of results in an email distributing the contracted auditor’s report.
- 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 conversion and implementation of the Ellucian Banner SaaS Enterprise application.
- 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.
- Attended LU’s President cabinet informational meetings.
- Served in board member and committee member capacities for the Texas Association of College and University Auditors.
- Served in board member capacity for the Texas Society of Certified Public Accountants.
- Served as committee member for the Association of College and University Auditors.
- Presented on audit and IT security topics at the annual Texas Association of Collegiate Registrars and Admissions Officers and the Texas Consortium Connection conferences.
- Worked in conjunction with other TeamMate+ Champions on various activities and tasks.

- Evaluated options for audit management software systems for consideration by the Chief Audit Executive.

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 Texas State University System in gathering information responsive to a legislative inquiry related to fraud, waste, and abuse reports received and processed for SHSU for the period January 2021 through April 2025.
- Provided support to the Texas State University System Board in researching and gathering information regarding Name, Image, Likeness (NIL) compliance, NIL-related activities, cooperatives, and applicable policies, procedures, and processes at SHSU.
- Revised self-assessment inventory templates for use by SHSU divisions in sustaining compliance with Senate Bill 17.
- Held monthly meetings with executive management.
- Modified the risk assessment survey 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.
- Worked in conjunction with other TeamMate+ Champions on various activities and tasks such as implementing additional security controls.
- Evaluated audit management software solutions, provided project team’s recommendation(s) to the Chief Audit Executive (CAE), and coordinated contracting process for go-forward solution.
- Secured a data analytics tool to be available for use by all TSUS OIA staff.
- Collaborated with Division of Integrated Marketing Communications to simplify and update SHSU’s OIA website as part of SHSU’s website redesign project.
- Provided support to SHSU management in support of their response to information requests by the THECB for the FY 2025 Formula Funding Audit.
- Prepared and delivered a fraud presentation to the student chapter of the Association of Certified Fraud Examiners.
- Advised IT management on security-related matters for various applications.
- 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.
- Consulted with the Office of Compliance and Insurance regarding compliance activities.
- Coordinated with the State Auditor’s Office Special Investigations Unit to provide requested information.

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 Texas State University System in gathering information responsive to a legislative inquiry related to fraud, waste, and abuse reports received and processed for SRSU for the period January 2021 through April 2025.

- Provided support to the Texas State University System Board in researching and gathering information regarding Name, Image, Likeness (NIL) compliance, NIL-related activities, cooperatives, and applicable policies, procedures, and processes at SRSU.
- Deployed self-assessment inventory templates for use by SRSU divisions in sustaining compliance with Senate Bill 17.
- Provided support to the Texas State University System in gathering information in responding to a legislative inquiry related to fraud, waste, and abuse reports received and processed for SRSU for the period January 2022 through April 2025.
- Researched a variety of issues at management's request.
- Monitored the third-party Cybersecurity Maturity Assessment (through the Department of Information Resources).
- Monitored and advised on IT business continuity.
- Advised management on IT systems and applications controls.
- 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 Texas State University System in gathering information responsive to a legislative inquiry related to fraud, waste, and abuse reports received and processed for Texas State University for the period January 2021 through April 2025.
- Provided support to the Texas State University System in researching and gathering information regarding Name, Image, Likeness (NIL) compliance, NIL-related activities, cooperatives, and applicable policies, procedures, and processes at Texas State University.
- Provided support to the Texas Comptroller Criminal Investigation Division related to an external investigation.
- 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, 2024, and provided a summary in an email distributing the contracted auditor's report.
- Performed an analysis of McCoy Foundation financial information for the years ending August 31, 2024, and provided a summary in an email distributing the contracted auditor's report.
- 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.
- Evaluated options for audit management software systems for consideration by the Chief Audit Executive.
- Served as a member on the Investment and Finance Committee for the Association of College and University Auditors.

- Served on the Business Services Council.
- Served as ex-officio member on the Chief Information Officer Leadership Team.
- Served as ex-officio member of the Human Resources Stakeholders Team.
- Participated in an IT Auditing panel discussion and presented information on IT Auditing to students in university accounting classes.
- Participated with the Institute of Internal Auditors (IIA) - Austin Chapter in presenting information to students in university accounting classes on the IIA, the Internal Audit profession, and potential career opportunities.

SYSTEM ADMINISTRATION

- Provided support to the Chairman of the Board, the Presidents, and the Office of General Counsel in submitting the required annual certification of compliance with Senate Bill 17 through the Texas Higher Education Coordinating Board report portal.
- Provided support to the Texas State University System in gathering information responsive to a legislative inquiry related to fraud, waste, and abuse reports received and processed for System Administration and all TSUS institutions for the period January 2021 through April 2025.
- Provided support to the Texas State University System Board in researching and gathering information regarding Name, Image, Likeness (NIL) compliance, NIL related activities, cooperatives, and applicable policies, procedures, and processes at TSUS institutions.
- Participated in the project meetings in an advisory capacity for the TSUS System Administration 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.
- Consulted on TSUS Title IX issues and facilitated System-wide Title IX training.
- Managed ongoing Clery Act contracted services with D. Stafford and Associates.
- Compiled a “new state statute” summary report and distributed it to institutional compliance partners.
- Deployed and tracked mandatory training (EEO and Cybersecurity) for System Administration employees.

IV. External Audit Services

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 2025. Where noted, dates provided indicate when the final report for the delegated services was submitted to the State Auditor's Office.

Lamar University:

- Mitchell T. Fontenote, CPA, Inc., KVLU - FM Radio, Financial Statements Together with Auditor's Report, August 31, 2024 (Audit Delegation 734-2025-001) - in progress.
- Weaver and Tidwell, L.L.P., NCAA Agreed-Upon Procedures for Fiscal Year 2024 (Audit Delegation 734-2024-001) - completed, 1-24-2025.

Sam Houston State University:

- Apple & Odom, LLC, SHSU AUP Report Perkins FINAL (Audit Delegation 753-2025-003) - completed, 3-4-2025.
- Axley and Rode, L.L.P., SHSU Charter School Fiscal Year 2024 (Audit Delegation 753-2025-001) - completed, 2-12-2025.
- Axley and Rode, L.L.P., NCAA Agreed-Upon Procedures for Fiscal Year 2024 (Audit Delegation 753-2025-002) - completed, 2-12-2025.

Sul Ross State University:

- Apple & Odom, LLC, SRSU AUP Report Perkins FINAL (Delegation 756-2024-001) - completed 3-3-2025.
- NCAA Agreed-Upon Procedures Fiscal Year 2025 (Delegation 756-2025-001) - audit contract procurement in progress.

Texas State University:

- Aprio, LLP, McCoy Foundation Fiscal Year 2025 (Delegation 754-2025-002) - in progress.
- Atchley & Associates, LLP, McCoy Foundation Fiscal Year 2024 (Delegation 754-2024-003) - completed, 3-3-2025.
- James Moore & Co., P.L., NCAA Agreed-Upon Procedures, Fiscal Year 2024 (Delegation 754-2024-004) - completed, 1-24-2025.
- James Moore & Co, P.L., NCAA Agreed-Upon Procedures Fiscal Year 2025 (Delegation 754-2025-003) - in progress.
- Montemayor Britton Bender, PC, Student Financial Aid (Title IV) Fiscal Year 2024 (Delegation 754-2024-002) - completed, 1-24-2025.
- Montemayor Britton Bender, PC, Student Financial Aid (Title IV) Fiscal Year 2025 (Delegation 754-2025-001) - in progress.

Lamar Institute of Technology:

- Apple Odom, LLC, Agreed-Upon Procedures, Student Financial Aid Fiscal Year 2024 (Delegation 789-2024-001) - completed, 9-24-2024.

System Administration:

- Allman & Associates, Inc., TSUS Foundation Annual Financial Report Fiscal Year 2024 (Delegation #758-2024-001) - completed, 11-1-2024.
- Allman & Associates, Inc., TSUS Foundation Annual Financial Report Fiscal Year 2025 (Delegation #758-2025-005) - in progress.
- R.L. Townsend, LLC, Construction Audits (Delegation #758-2023-002):
 - SHSU Newton Gresham Library Renovation - completed, 5-6-2025.
 - SRSU Museum of the Big Bend Annex System - completed, 10-1-2024.

- TXST University Police Department - completed, 10-4-2024.
- TXST TV and Film Studios Building (Live Oak Hall) - in progress.
- R.L. Townsend, LLC, Construction Audits (Delegation #758-2025-001):
 - LU Mary and John Gray Library Renovation - in progress.
 - SHSU COM Parking Structure - in progress.
 - SHSU Gibbs Ranch - in progress.
 - TXST Hilltop Housing - in progress.
 - LIT Workforce and Allied Health Training - in progress.
 - LSCO Academic Building - in progress.
 - LSCPA Industrial Training Center Renovation - in progress.

V. External Quality Assurance Review (Peer Review)

Texas Government Code 2102 requires internal audit organizations to conduct quality assurance reviews in accordance with applicable professional standards. The professional standards include provisions for audit organizations to perform self-assessments with external validations 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 *Audit and Compliance Plan Fiscal Year 2024*, but the self-assessment could not be completed due to a Board-requested special project. Due to the timing of the completion of the self-assessment in fiscal year 2025, coupled with the advent of the new Global Internal Auditing Standards, effective January 9, 2025, an external validation was not completed. The report below was submitted to the Board of Regents and external oversight entities in December 2024 and January 2025, respectively. The report is 53 pages long; in the interest of brevity, an excerpt is presented here.



This is an excerpt from the original Management Advisory Letter, which is 53 pages long.

December 30, 2024

Board of Regents
Texas State University System

Management Advisory Letter: Office of Internal Audit Self-Assessment

Dear Regents,

This Management Advisory Letter (MAL) reports the results of a periodic self-assessment of the Office of Internal Audit (OIA). This project was included in the 2024 Audit and Compliance Plan as a self-assessment with an independent external validation.

The purpose of the self-assessment was to evaluate the OIA's compliance with the *International Standards for the Professional Practice of Internal Auditing* ("the Standards"), promulgated by the Institute of Internal Auditors (IIA). Texas Government Code 2102 (the *Texas Internal Auditing Act*) requires state entity internal audit functions to comply with the standards established by the IIA.

The self-assessment was conducted utilizing the *Quality Assessment Manual for the Internal Audit Activity* ("the Manual") published by the IIA's Research Foundation ("the Foundation"). The Manual includes a prescribed checklist and three conformance ratings designated by the Foundation:

- "Generally Conforms" means that an internal audit activity has a charter, policies, and processes that are judged to be in conformance with the Standards.
- "Partially Conforms" means deficiencies in practice are noted that are judged to deviate from the Standards, but these deficiencies did not preclude the internal audit activity from performing its responsibilities in an acceptable manner.

- “Does Not Conform” means deficiencies in practice are judged to be so significant as to seriously impair or preclude the internal audit activity from performing adequately in all or in significant areas of its responsibilities.

The OIA leadership team (5 individuals) independently rated the OIA on its conformance with each attribute on the checklist, and then met collectively on December 13, 2024, to discuss and finalize the ratings. The team concluded that overall, the OIA “generally conforms” with the Standards.

Appendix A presents an executive summary of the results of the self-assessment. Appendix B presents the checklist for each element of the Standards that were evaluated as part of the self-assessment and the rating assigned to the element.

I’m available to discuss this report at your convenience if you have any questions or comments. Thank you.



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

APPENDIX A EXECUTIVE SUMMARY

The International Professional Practices Framework (IPPF) is promulgated by the Institute of Internal Auditors (IIA) and consists of four mandatory elements: Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing* (“the Standards”).

The TSUS Office of Internal Audit (OIA) generally conforms to the Standards in that the following successful practices are in place:

- The Definition of Internal Auditing is embodied in the audit charter (codified in the *TSUS Rules and Regulations, Chapter III, Paragraph 7*). The charter is approved by the Board of Regents (Board), reviewed annually, and updated periodically.
- The OIA *Policies and Procedures Manual* (P&Ps) states that auditors are expected to conform to the IIA’s Core Principles in the performance of duties.
- All auditors are expected to comply with the IIA’s Code of Ethics. This is articulated in *TSUS Rules and Regulations, Chapter III, Paragraph 7.13* and OIA policy. In addition, OIA policy requires auditors to comply with *TSUS Rules and Regulations, Chapter VIII, Code of Ethics, Paragraph 4.2, Prohibited Actions of Employees*.
- The OIA is organizationally independent and reports directly to the Board through the Finance and Audit Committee. The *TSUS Rules and Regulations, Chapter I, Paragraph 6.42* delegates to the Finance & Audit Committee “*Direct oversight of the System’s internal audit function, including, but not limited to, the hiring, terms and conditions of employment, and termination of the System Chief Audit Executive (CAE); approval of his or her budgets; and review and approval of annual audit plans and reports.*” The CAE has direct interaction with the Board.
- All OIA staff are objective and free from undue influence.

- All OIA staff possess the requisite knowledge, skills, and abilities to perform their duties and fulfill their responsibilities with integrity, competence, and due professional care.
- The OIA demonstrates quality and continuous improvement through continuing education, supervision of staff, and periodic internal and external assessments.
- The results of internal and external assessments are reported to executive management, the Board, and external oversight stakeholders.
- Risk-based audit plans are aligned with institutional objectives and include input from the Board, management, and other stakeholders. The plans are developed annually and are approved by the Board.
- OIA activities evaluate and contribute to the organizational improvement of TSUS risk management and control processes, the effectiveness and efficiency of operations and programs, the safeguarding of assets, and organizational compliance with applicable laws, regulations, policies, and procedures. The OIA provides risk-based assurances to the Board and management and provides consulting services upon request.
- OIA engagements are planned, documented, and communicated to auditees.
- The OIA leverages technology wherever possible, such as the use of Teammate Analytics and Excel for data analytics in planning and fieldwork steps for audits. The OIA also uses a forensic tool called “FTK” to review large amounts of data or files, including email transmissions. The utilization of this tool expanded from one individual (and one license) to additional OIA staff (and multiple licenses) who are now able to use the tool as well. Doing so has increased the proficiency in performing investigations and has expanded the skillset of OIA staff. In a show of hands at a Texas Association of College and University Auditors conference in February 2023, no other audit group indicated use of a similar type of tool.
- Conclusions are based on appropriate analyses, evaluations, and documented evidence.
- Results of work are communicated via oral and written reports distributed to management, the Board, and (as required by law) external oversight entities. Recommendations resulting from OIA projects are forward-focused.
- Follow-up work on management’s action plans to address recommendations is conducted quarterly and is reported to management and the Board.

Self-identified opportunities for continuous improvement and gaps in conformance, as well as associated planned actions, are outlined below:

- The TSUS has grown significantly in terms of enrollment and operating budgets since the last self-assessment (2019), but the staffing of the audit function may not have kept pace. The OIA will perform an analysis to determine whether additional staffing should be requested for 2026.
- Recruiting competent staff when vacancies occur has been challenging, particularly after the pandemic and the well-publicized shortage of accounting/auditing professionals. Several TSUS components are located in areas that must compete with major metropolitan job markets or are located in remote regions of the state. Teleworking arrangements for select positions enabled the OIA to become fully staffed for the first time in 5 years. While the CAE will continue exploring recruiting options in the event of turnover, retention efforts are now the priority, particularly in light of the shortage of accounting/auditing professionals and the fact that several employees are approaching retirement eligibility.
- The Senate Bill 17 (SB 17) project, conducted in fiscal year 2024 (November 2023 - August 2024) at all TSUS components significantly impacted completion of several

projects in the 2024 Audit and Compliance Plan (“the Plan”). This project was critical in providing the Board and the Texas Legislature with information regarding the System’s compliance with provisions contained in SB 17. However, the project impacted the timely completion of this self-assessment and the external validation associated with this self- assessment. The January 2025 advent of the new *Global Internal Audit Standards* (which significantly revise the Standards used in completing the self-assessment), impacts the external validation planned for this self-assessment until the following activities occur: legislative revisions to the *Texas Internal Auditing Act* to recognize the new *Global Internal Audit Standards* (Global Standards), changes to the *TSUS Rules and Regulations* to likewise recognize and adopt the Global Standards, implementation of the Global Standards within the OIA, and a subsequent self-assessment of conformance with the Global Standards. Although an external assessment was not completed as planned in 2024, it has not significantly impacted/does not significantly impact the overall scope or operations of the OIA. Legislative audit mandates impact the number of risk-based projects the OIA can include in the Plan. The OIA will continue working with leadership and the Board in developing the Plan to ensure that the highest risk areas are included after allocating resources to mandated projects.

Distribution:

Texas State University System:
Dr. Brian McCall, Chancellor

Texas State University System Board of Regents:
Alan L. Tinsley, Chairman of the Board
Tom Long, Chair, Finance & Audit Committee
Duke Austin, Finance & Audit Committee
William F. Scott, Finance & Audit Committee

State of Texas:
Office of the Governor
Legislative Budget Board
State Auditor’s Office

VI. Internal Audit Plan for Fiscal Year 2026

The TSUS OIA prepares a consolidated Audit and Compliance Plan (“Plan”) for TSUS components and System Administration. 28,324 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 8, 2025. Additional risks ranked as “high” identified during the risk assessment that are not included in the Fiscal Year 2026 Plan due to finite resources appear on Page 39.



Office of Internal Audit Audit and Compliance Plan Fiscal Year 2026



Carole M. Fox, CPA
Chief Audit Executive

Ramona Stricklan, CIA, CFE
System Director

Kelly Blissett, CPA, MBA
Director

Mike Miller, CIA, CGAP
Director

Kelly Wintemute, CCEP, MBA
Compliance Officer

Marylyn Byrd, CPA, CIA, MBA
Associate Director

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<i>APPENDIX A: RISK-BASED FUNCTIONAL AREAS</i>	4

INTRODUCTION AND PURPOSE

The *Fiscal Year 2026 Audit and Compliance Plan* (“the Plan”) documents functional areas the Office of Internal Audit intends to devote resources to during fiscal year 2026. The Plan satisfies statutory responsibilities outlined in Section 2102.008 of the Texas Government Code, the Texas State University System (TSUS) *Rules and Regulations*, and applicable auditing standards. The number of hours budgeted to perform all activities in the Plan totals 28,324.

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 Components and System Administration (except where noted).
- Risk-Based Functional Areas: Projects allocated amongst the Components 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 investigations and management-requested reviews, 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, as well as legislative initiatives, audit and compliance resources available for risk-based projects have diminished. Therefore, it is critical that such projects focus on areas where our independent reviews will provide the most value to the TSUS. 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 “*using risk assessment techniques*.” The collective risk assessment activities performed at the Components and System Administration in developing this Plan included, but were not limited to, the following activities:

- Soliciting input from the Board of Regents, the Chancellor, Vice-Chancellors, Component Presidents, and Component management;
- Consulting with oversight entities regarding emerging concerns;
- Considering national trends within higher education;
- Evaluating materiality;
- Assessing the potential impact of negative public scrutiny;
- Considering prior year projects still in progress during development of the Plan; 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:

- Utilization of artificial intelligence within and outside of the TSUS;
- The potential for waste, fraud, and abuse;
- Methods for ensuring compliance with contracting processes and controls and for monitoring contracts, as required by Texas Government Code, Section 2102.005(b);
- Calculations and application of benefits (benefits proportionality);
- 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, risk appetites, and activities where assurance or consulting engagements would be most helpful to management.

Upon completion of the annual risk assessments, identified risks were categorized into various functional areas based on the various organizational structures within the TSUS, 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 Components 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 flexibility to ensure emerging risks are timely reviewed. As required by the State Auditor's Office, the risk assessments also identified and documented areas of high risk that were not included in the Plan; these areas will be reported under separate cover in the Internal Audit Annual Report for 2025, due in October 2025.

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.

The Plan appears on the following page. Blue checkmarks represent functional areas where one or more audit projects are planned; green checkmarks represent functional areas where one or more compliance projects (across all Components) are planned. Finite resources preclude reviews in every functional area, including those known to have higher risks. Therefore, the absence of checkmarks in the Plan for risk-based projects means that no work is planned in the corresponding functional area(s).

**TEXAS STATE UNIVERSITY SYSTEM
AUDIT AND COMPLIANCE PLAN - FISCAL YEAR 2026**

STATUTORY/REQUIRED AUDITS AND ACTIVITIES								
	LU	SHSU	SRSU	TXST	LIT	LSCO	LSCPA	System Administration
SB 20 - Annual Policy Review & Contract Administration	✓	✓	✓	✓	✓	✓	✓	✓
Quarterly Follow-Up Reviews	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
Risk Assessment/Audit & Compliance Plan (for FY 2027)	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
Annual Internal Audit Report (for FY 2025)	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
Joint Admission Medical Program	✓							
NCAA Compilation		✓						
Title IX Quarterly and Annual Reporting	✓	✓	✓	✓	✓	✓	✓	✓
Continuing Education	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
State-Mandated Training (Compliance Office)								✓

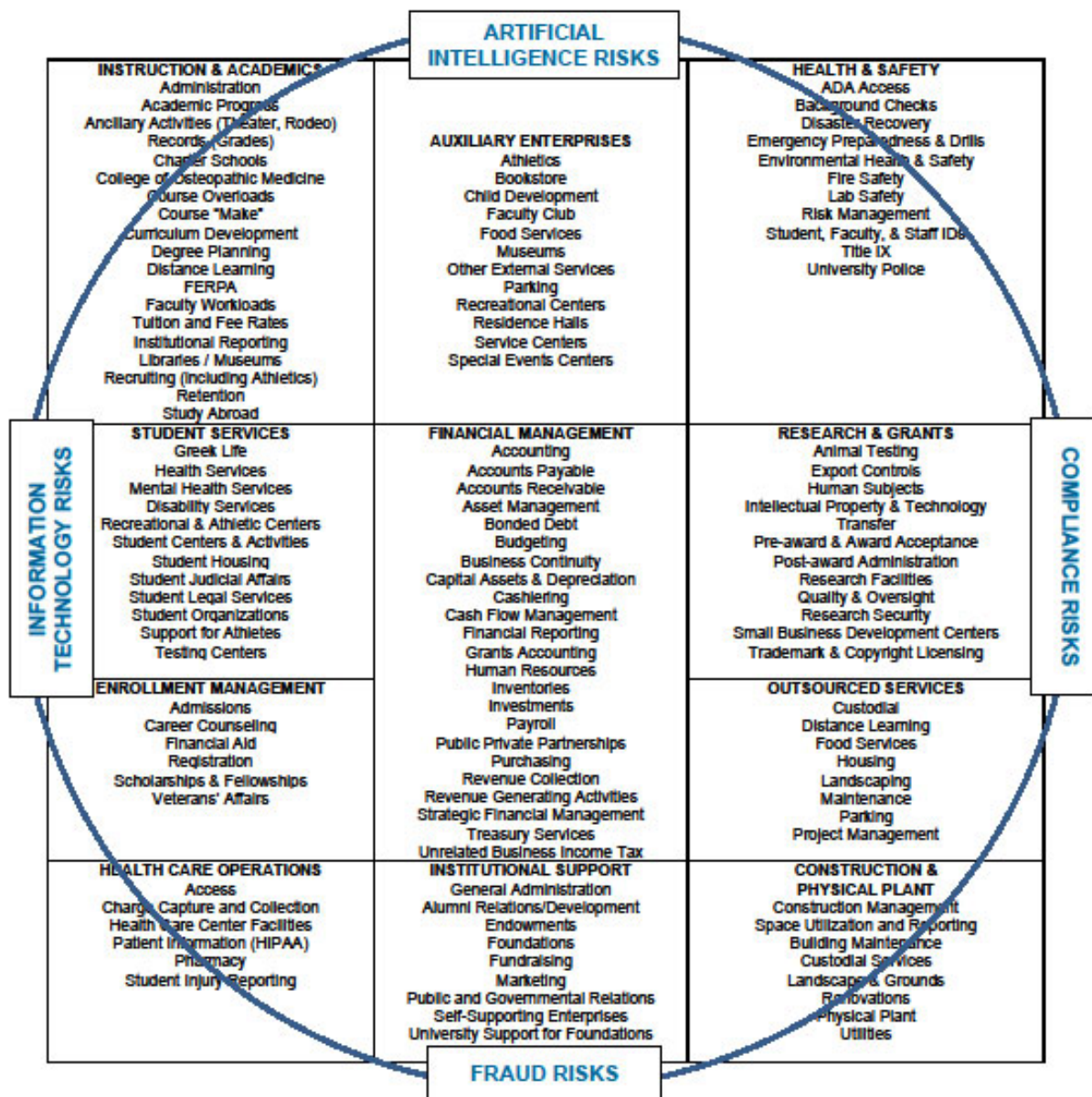
RISK-BASED FUNCTIONAL AREAS (See Appendix A)								
Auxiliary Enterprises	✓	✓		✓				
Instruction and Academics	✓	✓✓	✓✓	✓✓	✓	✓	✓	✓
Health & Safety	✓	✓✓	✓	✓✓	✓	✓	✓	✓
Financial Management	✓	✓	✓	✓				
Student Services	✓	✓	✓	✓✓	✓	✓	✓	✓
Enrollment Management	✓✓	✓✓	✓	✓	✓	✓	✓	✓
Research & Grants	✓	✓✓	✓✓	✓	✓	✓	✓	✓
Construction & Physical Plant		✓		✓			✓	✓
Information Technology	✓	✓	✓	✓	✓	✓	✓	✓
Artificial Intelligence Governance	✓	✓	✓	✓	✓	✓	✓	✓
Institutional Support (including SB 17 and SB 37 projects)	✓	✓	✓	✓	✓	✓	✓	✓

OTHER ACTIVITIES								
Special Projects	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
Internal Audit Software Solution Project	✓	✓	✓	✓	✓	✓	✓	✓
Audit & Compliance Liaison Activities	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓
Clery Act Reviews	✓	✓	✓	✓	✓	✓	✓	✓
State Due Date Database	✓	✓	✓	✓	✓	✓	✓	✓

✓ = 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. Artificial intelligence, compliance, fraud, and information technology risks surround all of the functional areas and exist within all operations and were considered in the development of the Plan.



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

LAMAR UNIVERSITY
TAC 202 - Compliance with Athletics Ticket Management Application
Security of Student Data Shared with External Parties
IT - Security Awareness and Training
IT - Banner Logical Access (HR Users' Roles and Access)
IT - Audiology Clinic Software compliance with FERPA, HIPAA (third-party billing) and PCI_DSS (debit or credit card payments)
Grants Management - Post Award
Journal Vouchers
Prohibited Technologies
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
Name, Image, and Likeness (NIL) Compliance
Polytechnic College Launch
SUL ROSS STATE UNIVERSITY
Finance Processes (current management project in progress)
Athletics - Move to Division II
Accounts Receivable and Allowance for Doubtful Accounts (current management project in progress)
Prohibited Technologies
IT - Data Owners' Responsibilities in User Provisioning Process
IT - Logical Access - Privileged Access
IT - Disaster Recovery
Business Continuity Plan
Prohibited Technologies

TEXAS STATE UNIVERSITY	
Accounts Payable	
Chemicals and Hazardous Materials Purchasing, Storage, and Disposal	
Clery Act Reporting and Compliance (TSUS engaged external consultant)	
Background Checks, Conflicts of Interest, and Conflicts of Commitment	
Cybersecurity	
Data Breach and Ransomware Response Plans	
Data Governance and Data Management	
Deferred and Preventive Maintenance	
Emergency Preparedness, Notifications, and Training	
Financial Aid Processes	
Health Care Programs	
HIPAA Data and Information	
Institutional Animal Care and Use Committee (IACUC) - Research	
Institutional Review Board (IRB) - Research	
IT System Access Controls for Onboarding and Offboarding of employees	
IT - Backup and Recovery	
Minors on Campus	
Non-endowed Funds - Compliance with Donors' request(s)	
Security Cameras (TXST engaging external consultant)	
Study Abroad and International Travel - Student Safety	
Student Conduct and Student Behavioral Assessment Team.	
Timely Warnings regarding Clery Act Compliance (TSUS engaged external consultant)	
LAMAR INSTITUTE OF TECHNOLOGY	
IT- Logical Access - Privileged Access	
IT - Disaster Recovery	
Student Financial Aid	
Prohibited Technologies	
Camps	

LAMAR STATE COLLEGE ORANGE	
IT- Logical Access - Privileged Access	
IT - Disaster Recovery	
Dual Credit	
Prohibited Technologies	
LAMAR STATE COLLEGE PORT ARTHUR	
IT- Logical Access - Privileged Access	
IT - Disaster Recovery	
Dual Credit	
Student Financial Aid	
Prohibited Technologies	

VII. Reporting Suspected Fraud and Abuse

The TSUS has taken the following actions to ensure compliance with requirements of Section 7.09, page IX-41, the General Appropriations Act (89th Legislature, Conference Committee Report).

- 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. Such reports are filed via email, formal reports, and the State Auditor's Office fraud reporting portal. 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.