Texas Southern University
Internal Audit Status Report
As of August 14, 2026

2026 Internal Audit Plan Status

The attached table reflects the status of the engagements included in the 2026 Internal Audit Plan:

We have completed three of eight planned reports for FY 2026. The remaining audits are still in progress. We anticipate completing the remaining fieldwork by August 31, 2026, with reporting to be finalized in September 2026.

We are also planning to perform a review of the procedures performed by Compliance for the University's disclosures over Senate Bill 17 compliance.

Other internal audit activities performed during the period include responding to a report submitted through the University's Fraud, Waste, and Abuse hotline. As part of those efforts the Internal Audit team is making efforts to ensure that the closure of all prior cases are appropriately documented in the system.

Further, we have met with representatives for the Banner ERP to learn about opportunities to better leverage automated controls and continuous monitoring within the system. We have coordinated with the IT department to generate preliminary reports as part of our efforts to implement continuous auditing and monitoring.

We also continue to support the Financial Aid and Finance Departments through the audits of federal financial aid funds and the audit of the University's financial statements, respectively.

Daniel Graves, CPA, CCA
Audit Executive

Clyde McNeil, CPA
Interim Chief Internal Auditor

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Audit Area	Summary of Scope	Status
FY 2026 Planned Internal Audits		
Procurement Process and Compliance	Internal audit will include an evaluation of the processes and internal controls in place related to the University's Procurement processes and compliance with Texas Education Code (TEC) § 51.9337. Activities to be evaluated will include Purchase Orders, Bidding Process and Award, Interlocal and Cooperative Agreement Purchasing, Contract Negotiation and Approval, Vendor Management - Selection, and Vendor Acceptance and Set-up.	Fieldwork In Progress
Purchasing Cards	Internal audit will include an evaluation of the processes and internal controls in place related to the University's P-Card processes. Activities to be included in the evaluation will include, program administration, new card issuance, expense reporting, approvals and reconciliations.	Fieldwork In Wrap-up
Asset Management	Internal audit will include an evaluation of the processes and internal controls utilized to maintain the University's capital and controlled assets. Activities to be included in the evaluation will include new acquisitions, cataloging, asset tagging/tracking, inventory, dispositions, depreciation and reporting. This audit will not include compliance with federal grant requirements for retirement and disposition of assets purchased with grant funding.	Fieldwork In Progress
Invoice Prompt Payment	Internal audit will include an evaluation of the processes and internal controls to ensure prompt payment of vendor invoices. Activities to be included in the evaluation will include invoice receipt and intake, invoice validation, approval workflow, and payment scheduling and execution.	Complete **Report Dated August 5, 2026**
Financial Close and Reporting	Internal audit will include an evaluation of the processes and internal controls executed for the University's financial close and reporting processes. Activities to be included in the evaluation will include monthly reconciliations, audit preparation, financial close procedures, and journal entries.	Fieldwork In Progress
Key Systems Access Testing	Network access testing of user access rights within key modules of the Banner system and other key University systems. Key systems identified are: Finance, Finanical Aid, Human Resources, Student module.	SAO IT Finding Remediation -Complete **Report Dated July 8, 2026** Key System Testing is in Progress
FY 2026 Other Audit Activities		
Internal Audit Follow-Up of Remediation of Prior Internal Audit Findings	Internal Audit will include follow-up procedures to verify that corrective action has been performed on the outstanding open findings.	Fieldwork In Progress
Fraud, Waste, and Abuse Investigations	Conduct investigations of fraud, waste, and abuse reports as well as monitoring of the Ethics Point hotline system.	Two of Two Reports are Complete
Special Projects	Special projects as requested by University administration.	NA
FY 2026 Annual Requirements		
Risk Assessment	Internal audit will facilitate a University-wide risk assessment to develop a strategic, multi-year internal audit plan to evaluate and monitor processes for significant financial, operational, and compliance activities of the University.	Risk Assessment and Audit Plan are Complete **Report Dated July 24, 2026**
Annual Internal Audit Report	Prepare and submit required annual reports over internal audit activities.	September 2026