

Texas Southern University
Revised Fiscal Year 2026 Internal Audit Plan

| Audit Area | Activity Type | Summary of Procedures | Timing |
|--|--------------------------|--|------------------------|
| FY 2026 Planned Internal Audits | | | |
| Procurement Process and Compliance | Internal Audit | 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. | February - March 2026 |
| Asset Management | Internal Audit | 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. | March - April 2026 |
| Financial Close and Reporting | Internal Audit | 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. | April - May 2026 |
| Internal Audit Follow-Up | Internal Audit Follow-Up | Internal Audit will include follow-up procedures to verify that corrective action has been performed on the outstanding open findings from prior internal audits. | February - August 2026 |
| Network Access Testing | Internal Audit | Network access testing of user access rights within key modules of the Banner system and other key University systems. | Quarterly |
| Fraud, Waste, and Abuse Investigations | Compliance | Conduct investigations of fraud, waste, and abuse reports as well as monitoring of the Ethics Point hotline system. | Ongoing |
| FY 2026 Annual Requirements | | | |
| Risk Assessment | Policy Compliance | 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 | February - March 2026 |
| Annual Internal Audit Report | Policy Compliance | Prepare and submit required annual reports over internal audit activities. | Aug-26 |

Note: At the presentation of each internal audit report to the Audit Committee and the Board, reports will be submitted to the State Auditor's Office according to the guidance published in their annual requirements.