Texas Southern University

Department of Internal Audit & Assurance Services

PRESENTED BY:

Darlene Brown, *CIA, CFE, CSM*

Acting Chief Audit Executive

PRESENTED TO:

Texas Southern University Board of Regents

October 2025

Internal Audit Charter

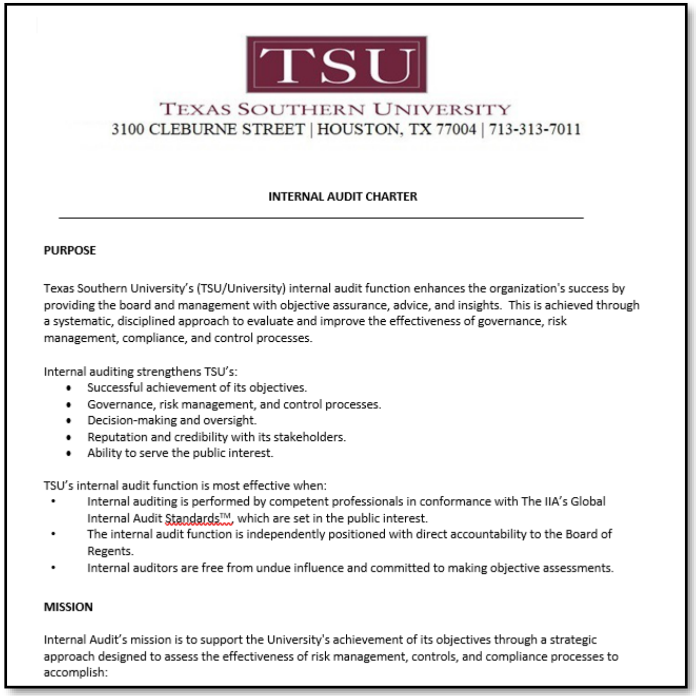
A formal document to establish:

- Internal audit’s purpose within TSU.
- Internal audit’s authority.
- Internal audit's responsibility.
- Internal audit’s position within the organization.

The charter objective is to provide TSU a blueprint for how internal audit will operate and helps the University affirm the value it places on internal audit’s independence.

No changes have been made to the Charter.

The charter is to be reviewed annually by TSU.



TSU

TEXAS SOUTHERN UNIVERSITY
3100 CLEBURNE STREET | HOUSTON, TX 77004 | 713-313-7011

INTERNAL AUDIT CHARTER

PURPOSE

Texas Southern University’s (TSU/University) internal audit function enhances the organization's success by providing the board and management with objective assurance, advice, and insights. This is achieved through a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, compliance, and control processes.

Internal auditing strengthens TSU’s:
- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

TSU’s internal audit function is most effective when:
- Internal auditing is performed by competent professionals in conformance with The IIA’s Global Internal Audit Standards™, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the Board of Regents.
- Internal auditors are free from undue influence and committed to making objective assessments.

MISSION

Internal Audit’s mission is to support the University's achievement of its objectives through a strategic approach designed to assess the effectiveness of risk management, controls, and compliance processes to accomplish:

Annual Independence Disclosure

A formal document to establish:

- Internal audit's independence within the organization.
- Disclose any perceived or actual independence issues and how they were resolved.

The internal audit function and internal audit team members had no independence issues in 2025.

The independence statement is to be reviewed annually by TSU.

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INTERNAL AUDIT
ANNUAL INDEPENDENCE DISCLOSURE STATEMENT

This annual internal audit independence disclosure statement is a document that outlines the independence of Texas Southern University's internal audit function. The purpose of this statement is to provide transparency and assurance that the internal audit activities are conducted objectively and without any undue influence that could compromise the integrity of the audit process.

Introduction:

The Institute of Internal Auditors (IIA) Global Standards require the internal audit activity to be independent, and internal auditors must be objective in performing their work.

Independence is a crucial aspect of internal auditing as it ensures that the audit function can provide unbiased and reliable assessments of the organization's operations, controls, and financial reporting. Independence is the freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner.

The internal auditor must be independent in mind and in appearance. To achieve the degree of independence necessary to effectively carry out responsibilities of the internal audit activity, the internal auditor has direct and unrestricted access to senior management and the Board of Regents. The internal audit function operates under the direction of the University's Board of Regents. The acting chief audit executive reports functionally to the TSU Board of Regents Audit Committee.

TSU's internal audit function is organized as shown below.

FY 2025 Annual Internal Audit Report

- Required by the Texas Internal Auditing Act Approved by the Commission
- Issued by November 1st Each Year
- Mandated Contents
  - *Publication of internal audit reports on TSU's website*
  - *FY 2025 Annual Internal Audit Plan status*
  - *Peer review outcome*
  - *FY 2026 Annual Internal Audit Plan*
  - *External audit service procured in FY 2025*
  - *TSU's policies for reporting suspected fraud and abuse*

- External Distribution:
  - *Governor's Office of Budget Planning Policy*
  - *Legislative Budget Board*
  - *State Auditor's Office*

A draft of the FY 2025 report has been provided for the Audit Committee.

Proposed FY2026 Annual Internal Audit Plan – Action Item

Audit	Risk Ranking	Risk Registry Category
Emergency Preparedness and Response	High	• Compliance • Health & Safety • Operational • Reputational • Strategic
Process Review Confirmations	High	• Operational • Financial • Compliance
On Campus Programs for Minors	High	• Health & Safety • Compliance • Reputational
Reported or Suspected Fraud, Waste, Abuse Investigations, Special Requests, and Budget Monitoring	High	• Financial • Operational • Reputational
Risk Management Insurance Programs	High	• Financial
Quarterly Network Access Testing (Cyber Protection Program Component)	High	• Operational • Cyber

This proposed Annual Internal Audit Plan is subject to revision throughout the year as needed. This proposed Annual Internal Audit Plan and required internal audit function activities are estimated to require 2,711 hours to complete.