



Office of
Internal Audit

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Texas Southern University



Audit/BOR Standing Committee Meetings

Board of Regents – February 2016 Session

Information Items as disclosed in the Tasks in Progress Report
from the

Charla Parker-Thompson, Chief Audit Executive
Department of Internal Audit, Fraud & Compliance
February 11, 2016

Agenda

➤ **Special Projects**

- State Auditor's Office (SAO)
- Formula Funding Audit (THECB)
- Campus Programs for Minors
- Fiscal Controls and Responsibilities – Fundraising
- Fiscal Controls and Responsibilities – Student Organizations

➤ **Fraud Update**

- Strategy and Training
- Due Diligence and Investigations

➤ **Current Activities**

- Completed Projects
- In Progress Items
- Scheduled Audits/ and/or Special Projects

Internal Audit Activities Update

➤ **Special Projects/ External Reviews**

- *State Auditor's Office* (SAO). The SAO has finalized its FY2015 follow-up testing of prior year findings in the following area:
 - Student Financial Aid Cluster– Eligibility; Cost of Attendance.

Internal Audit worked with the Office of Information Technology and the Student Financial Assistance Cluster through the follow-up testing by the SAO and resolved the prior year audit finding related to the security of selected system accounts within the Student Financial Assistance Cluster; corrective action has substantially implemented on this item to date. The FY2015 Single Statewide Audit A-133 Report is planned for release in the Spring 2016; this item will be reflected as fully implemented.

Internal Audit Activities Update cont.

➤ Texas Higher Education Coordinating Board

- The Texas Higher Education Coordinating Board (THECB) has determined that it will move forward with the testing of formula funding models at Texas Southern University to measure compliance with the relevant Coordinating Board (THECB) rules and regulations for enrollment data used in the formula funding calculations in accordance with Texas Education Code, Section 61.

Internal Audit Activities Update cont.

➤ Campus Programs for Minors – 2015/16 Application-through-Acceptance Process

- The Offices of Student Services, Internal Audit & Fraud and General Counsel along with the University Risk Management Specialist has commenced with its application process/procedures as it relates to campus programs involving minors for current-year University-hosted programs (process control and regulatory training requirements will be applicable for approved programs to commence on campus). Selected programs will be audited this year.

➤ Fiscal Responsibilities for Campus Organizations

- The Office of Internal Audit & Fraud and Treasury by way of the Office of Campus Organizations have presented fiscal control processes specific to cash management, credit card processing and bank account establishment for Campus Student Organizations (approx. 200) of the University and have provided mandatory training to the advisors and officers of these organizations during Q1 and Q2.

Internal Audit Activities Update cont.

➤ Fiscal Responsibilities for Fundraising Units

- The Dept. of Internal Audit, Fraud & Compliance in concert with University Advancement has established fiscal responsibility processes and controls for fundraising and special events. The protocols will be implemented University-wide to all units engaged in fundraising in the fiscal year; selective units have been fully adapted (i.e. KTSU).

Internal Audit Activities Update

➤ Fraud Prevention and Awareness Training

- The Office of Internal Audit & Fraud continues to monitor the University's mandatory training requirements through the online BLR portal; the areas specifically covered are: Business Ethics, Conflicts of Interest, Fraud Awareness, Prevention and Detection, Sexual Harassment and others in FY2016. Completion of the mandatory training requirements for FY2016 continue in progress with __% completion to date. Fraud Prevention and Awareness Training continue to be included in New Hire sessions, in specialized sessions (i.e. Opening Faculty, Compliance Week) and online.

➤ Due Diligence Items and Investigations

- Ten (10) items are currently in the due diligence or investigation phase at this time.

Office of Internal Audit – Current Activities

➤ **Completed Audits/Reviews/Activities**

- Public Funds Investment Act Compliance BOR Training Audit
- University Scholarships Administration Process Review *
- Financial Interests Disclosure/Conflicts of Interest Review*
 - ✓ External (Required) Audits of University business/academic units
 - TSU Charter School Lab Financial and Compliance Report **

➤ **Audit Activities In-Progress**

- Direct Grants and Contracts Review
- Governance Assessment (Office of Information Technology)

➤ **Special Items - In Final Stages** (EOM distribution)

- Residential Life & Housing – Greystone/UAV Assessment

(Note: * BOR Request; ** - Approval item)

Thank You

Department of Internal Audit, Fraud & Institutional Compliance

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