TEXAS WOMAN'S UNIVERSITY™

ANNUAL INTERNAL AUDIT REPORT

FOR FISCAL YEAR ENDED
AUGUST 31, 2026

OFFICE OF
Audit Services

304 Administration Dr,
Denton, TX 76204

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https://twu.edu/audit services/

TEXAS WOMAN'S
UNIVERSITY

October 31, 2026

Carine M. Feyten, Ph.D., Chancellor and President,
Members of the Board of Regents

We are pleased to submit the annual report of the Office of Audit Services for the fiscal year ended August 31, 2026. This report is required by the Texas Internal Auditing Act and provides information on the assurance services, consulting services, and other activities of the internal audit function.

If you have any questions about the contents of this report, please do not hesitate to contact me.

Sharon Delgado, CIA, CFE
Chief Audit Executive

Report Distribution:

Texas Woman's University (TWU)	**State of Texas Agencies:**	**Members of the TWU Board of Regents:**	
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TEXAS WOMAN'S UNIVERSITY

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Project Name	Hours	General Objective/Description
Assurance Engagements		
Information Security TAC 202	100	Review of internal controls
Fixed Assets	300	Review of inventory processes
Admission CF	300	Review of processess
Accounts Payable CF	300	Review of internal controls and timeliness of payments
Required Engagements		
Purchasing Compliance	75	As required
Investments Audit	250	As required
Investigations		
Reserve and Investigations	250	As needed
Follow-Up		
Follow-Up Audit	160	As required by IIA Standards
Development - Operations		
Annual Internal Audit Report	50	Required report of Internal Audit Activity - Texas Internal Auditing Act.
Board of Regents Meetings	150	Includes preparing presentations and attending both the dress rehearsals and Board Meetings
Executive Management and Leadership of the IA Department	120	Includes hiring, development, budgeting, performance appraisals, administrative duties, leadership, promoting the internal audit department
FY28 Audit Plan	125	Development of the FY28 Audit Plan, including performing the annual risk assessment
Staff Meetings	50	Staff meetings
Reporting and Requests for Information	25	Requests for information and reporting to SAO other external organizations.
Website Maintenance	10	Updating and maintaining website
Internal Quality Assurance and Improvement Program	50	Reviewing and updating internal processes
Development - Initiatives and Education		
CPE	219	Based on two full-time auditors
Participation in Professional Organizations	5	
Participation on University Committees	25	Includes Cabinet Meetings, Executive Policy Committee and ERM
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PURPOSE

The purpose of this annual report is to provide information on the assurance services, consulting services, and other activities of the internal audit function. In addition, the annual internal audit report assists oversight agencies in their planning and coordination efforts.

The Texas Internal Auditing Act, Texas Government Code, Chapter 2102, requires that an annual report on internal audit activity be filed by November 1st of each year and submitted to the Governor, the Legislative Budget Board, the Sunset Advisory Commission, the State Auditor's Office, and the entities' governing boards and chief executives. The State Auditor's Office prescribes the form and content of the report.

The annual report was prepared using the guidelines provided by the Texas State Auditor's Office. Additional information regarding the Texas Woman's University (TWU) Office of Audit Services can be found at the following website: www.twu.edu/audit-services.

I. COMPLIANCE WITH POSTING REQUIREMENTS

Texas Government Code, Section 2102.015 requires that the internal audit plan and the internal audit annual report be posted on the institution's website. Accordingly, the Office of Audit Services has posted the approved FY 2027 Audit Plan on the departmental website at https://twu.edu/audit-services/ and will post the FY 2027 Annual Internal Audit Report on the same site upon the report's issuance.

II. INTERNAL AUDIT PLAN FOR FISCAL YEAR 2026

Project Number	Project Name	Report/Memo Date
26-01	TWU ID Physical Access	7/24/2026
26-02	Investments Audit	12/19/2025
26-03	Accounts Payable	A
26-04	Undergraduate Admissions	A
26-05	Student Athlete Data Privacy	9/28/2026
26-06	Patch Management	A
26-07	Purchasing Compliance	8/26/2026
	Distance Learning	A

* A Carryforward Audit

HIGHER EDUCATION CODE - TEC Section 51.9337(h)

The Purchasing Compliance Audit (Report 25-07) was completed on August 26, 2026. The audit is required by the Texas Education Code, Section 51.9337(h).

Texas Government Code, Section 2102.015, requires entities to include the following on their website:

- A "detailed summary of the weaknesses, deficiencies, wrongdoings, or other concerns, if any, raised by the audit plan or annual report."
- A "summary of the action taken by the agency to address the concerns, if any, that are raised by the audit plan or annual report."

To address these requirements, an entity can summarize fiscal year 2026 internal audit recommendations and report on its action and progress toward implementing those recommendations. The following represents the status of implementation of the FY 2026 audit recommendations, as well as any outstanding prior audit recommendations from previous fiscal years.

Report Number	Report Date	Title	Recommendation	Status	Responsible Area
24-02	February 10, 2025	Grants Management	Centralized Grants Management System	Implemented	Research and Sponsored Programs
24-02	February 10, 2025	Grants Management	Grant Asset Tracking	Implemented	Finance & Administration
24-02	February 10, 2025	Grants Management	User Access/Segregation Of Duties	Implemented	Research and Sponsored Programs
24-02	February 10, 2025	Grants Management	Award Documentation	Implemented	Finance & Administration
24-02	February 10, 2025	Grants Management	HEER Posting Requirements	Implemented	Research and Sponsored Programs
24-02	February 10, 2025	Grants Management	Update Policies And Procedures	Implemented	Research and Sponsored Programs
24-05	July 25, 2024	PCI Compliance	Formalize procedures for PCI process exceptions.	Not Started	Bursar
24-05	July 25, 2024	PCI Compliance	Develop a centralized training environment	Not Started	Bursar
24-05	July 25, 2024	PCI Compliance	Create documented office and departmental PCI Procedures	Not Started	Bursar
24-05	July 25, 2024	PCI Compliance	Maintain oversight of all vendors used for PCI related functions	Not Started	Bursar
24-06	August 8, 2024	General IT Controls Phase I	Restrict Personal Devices from Connecting to the VPN	Implemented	ITS Solutions
24-06	August 8, 2024	General IT Controls Phase I	Encrypt Back Up Data	Implemented	ITS Solutions
24-06	August 8, 2024	General IT Controls Phase I	Formally Establish and Maintain Data Classification and Governance	Implemented	ITS Solutions
24-07	July 31, 2024	Contract Administration	Update Urp 04.310 Independent Contractor And The Requisition For Individual Services	Implemented	Finance & Administration
24-07	July 31, 2024	Contract Administration	Require Supplier Qualification Support.	Implemented	Finance & Administration
24-07	July 31, 2024	Contract Administration	Classify Individual Suppliers Prior To Contract Processing.	Implemented	Finance & Administration
25-01	June 4, 2025	FERPA Audit	FERPA Rights Are not Fully Communicated	Implemented	Registrar's Office
25-01	June 4, 2025	FERPA Audit	FERPA Training is Not Monitored	Implemented	Registrar's Office
25-01	June 4, 2025	FERPA Audit	Inappropriate Access To Database	Implemented	Registrar's Office
25-01	June 4, 2025	FERPA Audit	Non-compliance with TWU FERPA Policy	Implemented	Registrar's Office
25-03	October 31, 2025	Payroll Audit	Deactivate Terminated Employees	Not Started	Human Resources
25-03	October 31, 2025	Payroll Audit	TWU should document the Social Security Verification Process	Not Started	Human Resources
25-03	October 31, 2025	Payroll Audit	Review User Access Privileges	Not Started	Human Resources
25-03	October 31, 2025	Payroll Audit	Review and Update Approval Workflows	Not Started	Human Resources
25-03	October 31, 2025	Payroll Audit	Remit Child Support Deductions in a Timely Manne	Not Started	Human Resources
25-05	August 13, 2025	Bursar Tuition & Fees Audit	Define a Threshold for Bank Deposits	Not Started	Bursar
25-05	August 13, 2025	Bursar Tuition & Fees Audit	Establish formal review of user access	Not Started	Bursar
25-05	August 13, 2025	Bursar Tuition & Fees Audit	Implement a Process for Documenting Completion of the Daily Reconciliation	Not Started	Bursar
25-05	August 13, 2025	Bursar Tuition & Fees Audit	Update User Access	Not Started	Bursar
25-06	June 6, 2026	General IT Controls Phase II	Initiate and Maintain an institution-wide Business Impact Analysis	Implemented	ITS Solutions
25-06	June 6, 2026	General IT Controls Phase II	Integrate log sources into the SIEM	Implemented	ITS Solutions
25-06	June 6, 2026	General IT Controls Phase II	Implement third-party risk management system.	Implemented	ITS Solutions
25-06	June 6, 2026	General IT Controls Phase II	Expand Information Technology and Security Procedure documentation	Implemented	ITS Solutions
25-06	June 6, 2026	General IT Controls Phase II	Create a formal IT succession plan for key roles	Implemented	ITS Solutions
25-06	June 6, 2026	General IT Controls Phase II	Develop formal procedure documentation for termination of IT and information	Implemented	ITS Solutions

Report Number	Report Date	Title	Recommendation	Status	Responsible Area
25-06	June 6, 2026	General IT Controls Phase II	Ensure Board of Regents complete mandatory information security	Implemented	ITS Solutions
26-01	July 24, 2026	TWU ID Physical Access	Document Complete and Sufficient Departmental Procedures	Not Started	Student Union and Conference Services
26-01	July 24, 2026	TWU ID Physical Access	Implement, Monitor, and Manage Physical ID Access Controls	Not Started	Student Union and Conference Services
26-01	July 24, 2026	TWU ID Physical Access	Require and confirm criminal background checks for university affiliates.	Not Started	Student Union and Conference Services
26-05	September 28, 2026	Information Security Student Athlete Data	Document and Approve Access Requests	Not Started	Athletics
26-05	September 28, 2026	Information Security Student Athlete Data	Systematically Identify and Protect Student-Athlete Data	Not Started	Athletics
26-05	September 28, 2026	Information Security Student Athlete Data	Review System Access Periodically	Not Started	Athletics
26-05	September 28, 2026	Information Security Student Athlete Data	Deactivate Terminated Employees	Not Started	Athletics
26-05	September 28, 2026	Information Security Student Athlete Data	Require FERPA training for Athletic Staff	Not Started	Athletics
26-05	September 28, 2026	Information Security Student Athlete Data	Enhance Authentication Requirements	Not Started	Athletics

III. CONSULTING SERVICES AND OTHER ACTIVITIES

No consulting services were completed in FY 2026, as defined in the Institute of Internal Auditors' International (IIA) Standards for the Professional Practice of Internal Auditing. Consulting services are advisory in nature and are generally performed at the specific request of an engagement client. The Office of Audit Services did not perform any non-audit services, as defined in the Generally Accepted Government Auditing Standards (GAGAS) during FY 2026.

IV. EXTERNAL AUDIT SERVICES

The following external audit services, including financial and performance audits, attestation engagements, reviews, and agreed-upon procedures, were procured during FY 2026.

External Auditor	Services Provided
Weaver Tidwell, L.L.P.	Student Athlete Data Privacy
Forvis Mazars	Patch Management Audit

V. EXTERNAL QUALITY ASSURANCE REVIEW (PEER REVIEW)

December 19, 2024

To: Ms. Stacie D. McDavid, Board of Regents and Presiding Officer
Dr. Crystal Wright, Board of Regents Finance and Audit Committee Chair
Dr. Carine M. Feyten, Ph.D., Chancellor and President

Texas Women's University
304 Administration Drive
Denton, TX 76209

Ms. McDavid, Drs. Wright and Feyten,

We have completed the quality assurance review (QAR) of the internal audit function at Texas Woman's University (TWU), which is required by the Texas Internal Auditing Act, the Institute of Internal Auditors (IIA) International Professional Practice Framework (IPPF) and Code of Ethics, and the U.S. Government Accountability Office's Generally Accepted Government Auditing Standards (GAGAS). For this review, we collectively refer to these criteria as the Standards.

We independently validated the assertions and conclusions made in the QAR Self-Assessment Report issued by Ms. Sharon Delgado, Chief Audit Executive, on May 15, 2024. The review included internal audit activities from September 1, 2022, through January 31, 2024. We reviewed the QAR Self-Assessment Report and supporting documentation and interviewed TWU leadership and a TWU Board of Regents representative.

The rating system used for expressing an opinion for this review provides a scale of three ratings, "generally conforms," "partially conforms," and "does not conform." "Generally conforms" is the top rating and means that an internal audit activity has a charter, policies, and processes that are judged to conform with the Standards. "Partially conforms" means deficiencies in practice are noted and judged to deviate from the Standards. Still, these deficiencies did not preclude the internal audit activity from acceptably performing its responsibilities. "Does not conform" means deficiencies are judged to be so significant as to seriously impair or preclude the internal audit activity from performing adequately in all or in substantial areas of its responsibilities.

Based on our independent validation of the assessment performed by Ms. Delgado, we agree with the overall conclusion that the internal audit function "Generally Conforms" with the IIA Standards and have included the specific conformance in the following chart:

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Standard Type and Description	Opinion
Texas Internal Auditing Act	Generally Conforms
Generally Accepted Government Auditing Standards	Generally Conforms
IIA's Code of Ethics	Generally Conforms
IPPF Attribute Standards	
1000 – Purpose, Authority, and Responsibility	Generally Conforms
1100 – Independence and Objectivity	Generally Conforms
1200 – Proficiency and Due Professional Care	Generally Conforms
1300 – Quality Assurance and Improvement Program	Generally Conforms
IPPF Performance Standards	
2000 – Managing the Internal Audit Activity	Generally Conforms
2100 – Nature of Work	Generally Conforms
2200 – Engagement Planning	Generally Conforms
2300 – Performing the Engagement	Generally Conforms
2400 – Communicating the Results	Generally Conforms
2500 – Monitoring Progress	Generally Conforms
2600 – Communicating the Acceptance of Risks	Generally Conforms

In addition, the following comment is made for your consideration and to assist the Office of Audit Services Audit with ongoing conformance:

The TWU Office of Audit Services currently does a commendable job of conforming to established standards; however, continued success in the area of governance hinges upon revising key documents—such as the Department Charter, potentially Board of Regents materials, internal policies and procedures, and project planning protocols—in response to the new IIA Standards, effective January 2025, and other evolving guidance that may develop. These updates will further enhance alignment and strengthen governance practices.

We appreciate the assistance provided to us during this review by the Board of Regents, the Chancellor and President, TWU leadership, and the Office of Audit Services.

Respectfully,

Leah Ladley

Leah Ladley, CPA, CIA, CFE, CRMA
Chief Audit Executive
Middle Tennessee State University

C Esqueda

Christine Esqueda, CIA, CFE, CGAP
Audit Director
Texas Tech University System

Accolades from Stakeholders

"They accomplish a lot given how small their office is."

"Could probably use another person."

"Prompt, thorough, and personable!"

"I feel very lucky to have them here!"

"Sharon really cares!"

"Friendly and easy to work with."

"She is a joy to work with and the Board really appreciates her!"

"Educating students on internal audit! Win-win for everybody!"

"Sharon is very interested in students. She makes it a point to include students in the work that they're doing in the audit area!"

"Integral part of what is happening on campus!"

"I love what they do!"

"Helps people to not see audit as a threat."

"Doing a Great Job!"

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VI. INTERNAL AUDIT PLAN FOR FISCAL YEAR 2027

After consideration of the estimated time for holidays and leave, the Fiscal Year 2027 audit plan budget was based on 2,564 available staff hours for 2.5 internal audit professionals.

The FY 2027 Internal Audit Plan was approved by the TWU Board of Regents on August 14, 2026. The FY 2027 Internal Audit Plan was submitted to the State Auditor's Office and posted on the TWU website. Quarterly updates provided to the committee can be obtained by reviewing the Report of the Office of Audit Services on the meeting agendas.

The FY 2027 audit plan was prepared using risk assessment techniques that identify the individual audits to be conducted during the year. The risk-ranked audit universe was based on the operating conditions present at the time of the assessment. The risk factors utilized during the risk assessment process included:

- Information Technology
- Student Relations
- Reputational
- Economic and Fraud Risk
- Operation and Regulatory Compliance

The risk-rated audit universe was calculated by weighting the risk factors on the basis of inherent risk. Inherent risk is the risk related to a process without any consideration for control activities.

The Office of Audit Services has posted the 2026 Audit Plan on the departmental website at www.twu.edu/audit-services.

Risk areas ranked as "high" but not scheduled to be audited during fiscal year 2026 are:

• Compliance	• Reporting
• Risk Management	• Database Administration/ERP
• Asset Protection	• Payroll
• Grant Management	• Database Administration
• Public Safety	• Accreditation Standards

The following items were considered as part of the risk assessment:

- Title I, Texas Administrative Code, Chapter 202 (Information Security Standards),
- Benefits proportionality, and
- Compliance with processes and controls according to TGC §2102.005(b) and TEC §51.9337(h).

There are no audits on the FY 2027 Audit Plan that address expenditure transfers, capital budget controls, or any other limitation or restriction in the General Appropriations Act (89th Legislature Conference Committee Report). An audit is included on the FY 2027 audit plan that addresses the specific aspects of contract management related to TEC §51.9337.

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Follow-Up Audit	160	As required by IIA Standards
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Development - Initiatives and Education		
CPE	219	Based on two full-time auditors
Participation in Professional Organizations	5	
Participation on University Committees	25	Includes Cabinet Meetings, Executive Policy Committee and ERM
	2564	

VII. REPORTING SUSPECTED FRAUD AND ABUSE

Actions taken to implement the requirements of Section 7.09, Fraud Reporting, General Appropriations Act (89th Legislature Conference Committee Report) are noted below:

- TWU has placed a link on the TWU homepage that states "Report Fraud, Waste, or Abuse". The link on the TWU homepage takes a user directly to the State Auditor's Office webpage for reporting fraud, waste, and abuse.
- TWU has also incorporated into its University Regulation and Procedure (URP: 01.215) "Fraud and Fraudulent Activities" policy information on how to report suspected fraud involving state funds to the State Auditor's Office. This information includes a link to the State Auditor's Office website.

Texas Government Code §321.022 Coordination of Investigations

a) If the administrative head of a department or entity that is subject to audit by the state auditor has reasonable cause to believe that money received from the state by the department or entity or by a client or contractor of the department or entity may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the department or entity, the administrative head shall report the reason and basis for the belief to the state auditor. The state auditor may investigate the report or may monitor any investigation conducted by the department or entity.

b) The state auditor, in consultation with state agencies and institutions, shall prescribe the form, content, and timing of a report required by this section.

c) All records of a communication by or to the state auditor relating to a report to the state auditor under Subsection (a) are audit working papers of the state auditor.

If a situation were to occur where this code is applicable, Texas Woman's University would report such activities to the State Auditor's Office through its webpage for reporting fraud, waste, and abuse.