



TEXAS WOMAN'S
UNIVERSITY™

ANNUAL INTERNAL AUDIT REPORT

FOR FISCAL YEAR ENDED
AUGUST 31, 2022

OFFICE OF
Audit Services



October 31, 2022

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, 2022. 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 *Sharon Delgado*
Interim Chief Audit Executive

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TABLE OF CONTENTS

	Purpose of the Annual Internal Audit Report	3
I.	Compliance with Texas Government Code, Section 2102.015	3
II.	Internal Audit Plan for Fiscal Year 2022 and Status of Recommendations	3
III.	Consulting Services and Non-Audit Services Completed	6
IV.	Internal Audit Plan for Fiscal Year 2023	6
V.	External Audit Services Procured in Fiscal Year 2022	8
VI.	Reporting Suspect Fraud and Abuse	8

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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 (SAO), and the entities' governing boards and chief executives. The SAO 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 TEXAS GOVERNMENT CODE, SECTION 2102.015

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 2023 Audit Plan on the departmental website at www.twu.edu/audit-services and will post the FY 2022 Annual Internal Audit Report on the same site upon the report's issuance.

II. INTERNAL AUDIT PLAN FOR FY 2022

Report Number	Report Title	Issued Date/Status
22-01	Safety and Security	12/3/2021
22-02	Investments	12/15/2021
22-03	College of Business	3/11/2022
22-04	IT Change Management	3/3/2022
22-05	Benefits Proportionality	8/31/2022
22-06	Purchasing Compliance	8/31/2022
	Cares Act Compliance	Project moved to FY 23
	Facilities	Project moved to FY 24

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Compliance with the Benefits Proportionality Audit Requirements for Higher Education Institutions

The Benefits Proportionality Funding (Report No. 22-05) compliance was completed on August 31, 2022. The audit was required by Rider 8 of the General Appropriations Act (87th Legislature), and resulted in no issues or significant recommendations.

TEC Section 51.9337(h)

The Purchasing Compliance Audit (Report 22-06) was completed on August 31, 2022. The audit is required by Texas Education Code, Section 51.9337(h), and resulted in no issues or significant recommendations.

II. STATUS OF AUDIT RECOMMENDATIONS

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 2022 internal audit recommendations and report on its action and progress toward implementing those recommendations. The following represents the status of implementation of the FY 2022 audit recommendations, as well as any outstanding prior audit recommendations from previous fiscal years.

Report Number	Report Date	Title	Recommendation	Status	Responsible Area
19-03	January 15, 2019	Emergency Operations Plan; Safety and Security Audit	Develop Annexes To Support The Base Multihazard Emergency Operations Plan (MEOP)	Closed	Finance & Administration
20-02	December 20, 2019	Investments Audit	Update Investment Policy Information Related to Diversification	Incomplete/Ongoing	Finance & Administration
20-05	January 13, 2021	Research and Sponsored Projects	Enhance Financial Reviews	Implemented	Academic Affairs
20-08	April 29, 2021	Network Firewall	Enhance Configurations	Incomplete/Ongoing	Information Technology
20-08	April 29, 2021	Network Firewall	Enhance Policies and Procedures	Incomplete/Ongoing	Information Technology
21-03	July 8, 2021	TAC 202 Compliance	Enhance Logical Security Processes	Incomplete/Ongoing	Information Technology
21-04	October 1, 2021	Student Receivables	Formalize Existing Reconciliation Process Between Colleague and Oracle	Incomplete/Ongoing	Finance & Administration
22-01	December 3, 2021	Safety and Security	Develop Annexes to Support the Comprehensive Emergency Management Plan (CEMP)	Incomplete/Ongoing	Finance & Administration
22-01	December 3, 2021	Safety and Security	Review, Update and Approve the CEMP and Annexes	Incomplete/Ongoing	Finance & Administration
22-01	December 3, 2021	Safety and Security	Consistently Perform and Document Drills	Incomplete/Ongoing	Finance & Administration
22-01	December 3, 2021	Safety and Security	Complete and Monitor Training	Incomplete/Ongoing	Finance & Administration
22-01	December 3, 2021	Safety and Security	Update the CEMP for Coordination Measures and Audit Requirements	Incomplete/Ongoing	Finance & Administration
22-01	December 3, 2021	Safety and Security	Enhance Compliance with Reporting Requirements	Implemented	Audit Services
22-02	December 15, 2021	Investments Audit	Update the Investment Policy Related to Diversification	Incomplete/Ongoing	Finance & Administration
22-03	March 11, 2022	College of Business	Perform Account Reconciliations	Incomplete/Ongoing	Academic Affairs
22-03	March 11, 2022	College of Business	Enhance Conflicts of Interest Reporting	Incomplete/Ongoing	Academic Affairs
22-03	March 11, 2022	College of Business	Monitor Completion of Training	Incomplete/Ongoing	Academic Affairs
22-03	March 11, 2022	College of Business	Enhance Asset Procedures	Incomplete/Ongoing	Academic Affairs
22-03	March 11, 2022	College of Business	Perform User Access Reviews	Incomplete/Ongoing	Academic Affairs
22-04	March 3, 2022	Information Technology Change Management	Enhance Separation of Duties	Incomplete/Ongoing	Information Technology
22-04	March 3, 2022	Information Technology Change Management	Implement Detective Controls	Incomplete/Ongoing	Information Technology
22-04	March 3, 2022	Information Technology Change Management	Enhance Change Management Documentation	Incomplete/Ongoing	Information Technology
22-04	March 3, 2022	Information Technology Change Management	Implement Change Management Metrics	Incomplete/Ongoing	Information Technology
22-04	March 3, 2022	Information Technology Change Management	Review and Update the Charter and Related Procedures	Incomplete/Ongoing	Information Technology

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III. CONSULTING SERVICES AND NON-AUDIT SERVICES COMPLETED

No consulting services were completed in FY 2022, as defined in the Institute of Internal Auditors' International 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 Government Auditing Standards during FY 2022.

IV. INTERNAL AUDIT PLAN FOR FY 2023

The FY 2023 Internal Audit Plan was approved by the TWU Board of Regents on August 11, 2022. The FY 2023 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 Reports of the Office of Audit Services on the meeting agenda. The FY 2023 audit plan was prepared using risk assessment techniques that identify the individual audits to be conducted during the year. The risk factors utilized by the department during the risk assessment process included:

- Resources at Risk
- Reputational Impact
- Regulatory Compliance
- Years Since Last Audit
- Organizational Changes
- Complexity

There are no audits on the FY 2023 Audit Plan that address expenditure transfers, capital budget controls, or any other limitation or restriction in the General Appropriations Act. An audit is included on the FY 2023 audit plan that addresses the specific aspects of contract management related to TEC §51.9337.

Texas Administrative Code (TAC) 202 is audited biennially as required by statute. TAC 202 was last audited during FY 2021.

After consideration of estimated time for holidays and leave, the Fiscal Year 2023 audit plan budget was based on 3,336 available staff hours for 2 internal audit professionals. Of this time, approximately 1,600 hours will be dedicated to performing risk-based and required audits, 200 hours is needed for follow-up on prior audits, 250 hours are set aside for investigations and unscheduled requests, 200 hours will be utilized for staff education and service to the profession, and 1,100 hours are allocated for administrative and other value-added work, including the annual risk assessment, institutional committee service, and department development.

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FY 2023 Audit Plan	
Risk Based and Required Audits	
Procurement Card Audit	
CARES Act Compliance	
College of Education	
TAC 202 – outsourced	
Investments Review	
Texas Education Code 51.9337 Compliance	
Audit Follow Up	
Quarters 1, 2, 3, and 4	
Audit Reserve	
Reserve for Unanticipated Audits, Investigations, Special Requests	
Other Department Activities	
Annual Internal Audit Report	
Annual Risk Assessment and Audit Plan	
Committee Preparation and Participation	
Internal Quality Assurance and Improvement Program	
Project Status Meetings	
TeamMate, data analytics, development, maintenance and other technical support	
Management and administrative duties of IA department	
Professional Organization and Association Participation	
Continuing Professional Education and Training	

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V. EXTERNAL AUDIT SERVICES PROCURED IN FY 2022

The following external audit services, including financial and performance audits and attestation engagements, reviews, and agreed-upon procedures, were procured during FY 2022.

External Auditor	Services Provided
Deloitte & Touche, LLP	Internal Audit Co-Sourcing

VI. REPORTING SUSPECTED FRAUD AND ABUSE

The General Appropriations Act (87th Legislature), Section 7.09 Fraud Reporting

Actions taken to implement the requirements of Section 7.09, Fraud Reporting, General Appropriations Act (87th 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 “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 their webpage for reporting fraud, waste, and abuse.

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