The Texas A&M University System Internal Audit Department

INTERNAL AUDIT ANNUAL REPORT FOR FISCAL YEAR 2026

TABLE OF CONTENTS

SECTION

I	Compliance with Posting Requirements
II	Internal Audit Plan for Fiscal Year 2026
III	Consulting Services and Other Activities
IV	External Audit Services
V	External Quality Assurance Review (Peer Review)
VI	Internal Audit Plan for Fiscal Year 2027
VII	Reporting Suspected Fraud and Abuse

I. Compliance with Posting Requirements

Texas Government Code, Section 2102.015, requires state agencies and higher education institutions to post their annual internal audit plan and their internal audit annual report on their Internet website.

To comply with the requirements of Texas Government Code, Section 2102.015, the annual internal audit plan and the annual internal audit report are posted on the Internal Audit Department's Internet website.

II. Internal Audit Plan for Fiscal Year 2026

Audit Title By System Member	Report #	Report Date
Systemwide		
Diversity, Equity, and Inclusion Compliance	20260101	5/13/26
Emergency Notification Systems	20260102	In Progress
High Risk Global Engagements and International Collaborations Compliance	20260103	10/21/26
A&M System Offices		
Available University Fund Reporting	20260104	4/15/26
Texas A&M University		
Accounts Receivable	20260201	10/21/26
College of Performance, Visualization and Fine Arts – Information Technology	20260202	3/11/26
Contract Administration	20260203	9/16/26
Division of Student Affairs – Information Technology	20260204	2/18/26
Human Research Protection Program	20260205	In Progress
Information Technology Governance	Cancelled	N/A
Student Community Standards	20260207	9/16/26
East Texas A&M University		
Housing	20262101	7/15/26
Information Technology	20262102	10/21/26
Prairie View A&M University		
Contract Administration	20260501	In Progress
Programs for Minors	20260502	4/15/26
Tarleton State University		
Athletics	20260401	8/12/26
Contract Administration	20260403	9/16/26
Research Administration	20260402	8/12/26
Texas A&M International University		
Facilities Development Reporting to the Texas Higher Education Coordinating Board	20260105	3/11/26
Research Administration	20261601	In Progress
Texas A&M University – Central Texas		
Contract Administration	20262401	3/11/26
Texas A&M University – Corpus Christi		
Health and Safety	20261501	9/16/26

Audit Title By System Member	Report #	Report Date
Texas A&M University – Kingsville		
Facilities Development Reporting to the Texas Higher Education Coordinating Board	20260105	3/11/26
Health and Safety	20261701	9/16/26
Information Technology – Logical Security	20261702	8/12/26
Texas A&M University – San Antonio		
Athletics	20262501	5/13/26
Facilities Development Reporting to the Texas Higher Education Coordinating Board	20260105	3/11/26
Texas A&M University – Texarkana		
Contract Administration	20262202	4/15/26
Health and Safety	20262201	10/21/26
West Texas A&M University		
Payroll	20261801	7/15/26
Texas A&M AgriLife Research		
Payroll	20260601	2/18/26
Texas A&M AgriLife Extension Service		
Payroll	20260601	2/18/26
Texas A&M Engineering Extension Service		
Learning Management and Student System	20260901	1/14/26
Texas A&M Forest Service		
Payroll	20261101	6/10/26
Texas A&M Transportation Institute		
Export Controls	20261201	11/19/25
Texas A&M Veterinary Medical Diagnostic Laboratory		
Payroll	20260601	2/18/26
Texas Division of Emergency Management		
Export Controls	20263001	5/13/26

Deviations from Fiscal Year 2026 Audit Plan

The following Fiscal Year 2026 Audit Plan audit was cancelled:

- Texas A&M University – Information Technology Governance

The following audit was added to the Fiscal Year 2026 Audit Plan:

- Tarleton State University – Contract Administration

Texas Education Code, Section 51.9337

Based on a review of current Texas A&M University System policies, procedures, forms, and checklists, it was determined that the A&M System has adequately adopted the rules and policies required by Texas Education Code, Section 51.9337. Audits of purchases of goods and services by A&M System members, as determined by the annual risk-based audit plan, will assess compliance with these rules, policies, and additional contract controls.

III. Consulting Services and Other Activities

System Internal Audit Department completed consulting reviews as outlined in the table below.

Review Title	Report Number	Report Date	Objective(s)	Observations/Results and/or Suggestions
The Texas A&M University System Review of System Institutional Biosafety Committee Compliance with NIH Requirements	20260107	January 2026	The objective was to perform a review of compliance with selected National Institutes of Health Notice NOT-OD-25-082 requirements for Institutional Biosafety Committees across A&M System members registered with NIH.	Results of review were provided to management.
Texas A&M University Joint Admission Medical Program (JAMP) Audit	20250211	October 2025	The objective was to provide assurance that the university is in compliance with JAMP agreement requirements and expenditure guidelines.	Results of review were provided to management.
Texas A&M University at Galveston Joint Admission Medical Program (JAMP) Audit	20250212	October 2025	The objective was to provide assurance that the university is in compliance with JAMP agreement requirements and expenditure guidelines.	Results of review were provided to management.
West Texas A&M University Joint Admission Medical Program (JAMP) Audit	20251803	October 2025	The objective was to provide assurance that the university is in compliance with JAMP agreement requirements and expenditure guidelines.	Results of review were provided to management.
West Texas A&M University Procurement and Travel Card Review	20251804	October 2025	The objective was to determine if procurement and travel card transactions and related training were in compliance with procedures.	Results of review were provided to management.

Additionally, System Internal Audit delivered training and outreach presentations, including:

- Audit Insights & Common Themes training for the Texas A&M University Ethics & Compliance Committee
- Credit card fraud prevention training for the Texas Division of Emergency Management
- Fraud prevention training as part of Texas A&M Engineering Compliance Week
- Fraud prevention training for East Texas A&M University
- Fraud prevention training for the Texas A&M University College of Education & Human Development
- Information technology controls and audit processes presentation at the Texas A&M University System Technology Summit

IV. External Audit Services

A&M System Offices
Audit of Easterwood Airport Management Financial Statements
Audit of Easterwood Airport Passenger Facility Charge

Texas A&M University
Agreed-Upon Procedures for Intercollegiate Athletics Program
Audit of Cancer Prevention & Research Institute of Texas Grant Program – Texas A&M
Audit of Cancer Prevention & Research Institute of Texas Grant Program – Texas A&M Health
Audit of Grant Agreement with G²LM|LIC
Audit of Schedule of Expenditures of Federal Awards for Student Financial Assistance Cluster of Texas A&M University
Audit of Texas A&M University-Qatar for Fiscal Years 2025, 2026, and 2027

East Texas A&M University
Agreed-Upon Procedures for Intercollegiate Athletics Program
Audit of East Texas A&M University Foundation Financial Statements

Prairie View A&M University
Agreed-Upon Procedures for Intercollegiate Athletics Program

Tarleton State University
Agreed-Upon Procedures for Federal Financial Aid Requirements
Agreed-Upon Procedures for Intercollegiate Athletics Program

Texas A&M University–Corpus Christi
Agreed-Upon Procedures for Intercollegiate Athletics Program
Audit of Texas A&M University-Corpus Christi Financial Statements for Fiscal Year 2025
Audit of Scholarships for Academic Year 2024-2025

Texas A&M University–Kingsville
Audit of Texas A&M University-Kingsville Financial Statements for Fiscal Year 2025
Audit of Texas A&M University-Kingsville Foundation Financial Statements for Fiscal Years 2024 and 2025
Audit of Texas A&M University-Kingsville Title IV Program

Texas A&M University–San Antonio
Agreed-Upon Procedures for Federal Financial Aid Requirements

Texas A&M University–Texarkana
Agreed-Upon Procedures for Federal Financial Aid Requirements

West Texas A&M University
Agreed-Upon Procedures for Federal Financial Aid Requirements
Audit of NCAA Athletics
Audit of West Texas A&M University Foundation Financial Statements for Fiscal Years 2024 and 2025

Texas A&M Engineering Experiment Station
Audit of Cancer Prevention & Research Institute of Texas Grant Program

Texas A&M Research Foundation
Audit of Texas A&M Research Foundation Financial Statements

V. External Quality Assurance Review (Peer Review)

This section contains the most recent peer review report for the System Internal Audit Department, dated July 10, 2024.

July 10, 2024

Mr. Charlie Hrncir, CPA, Chief Auditor
Texas A&M University System
Moore/Connolly Building, 4th Floor
301 Tarrow
College Station, TX 77840

Executive Summary

In April 2024, the System Internal Audit Department (SIAD) of the Texas A&M University System (TAMUS) completed a self-assessment of its internal audit activities for the period from May 1, 2021, through April 30, 2024. The objective of the review was to appraise the quality of its operations and provide reasonable assurance the internal auditing program conforms with the Texas Internal Auditing Act, the Institute of Internal Auditors'(IIA) *Code of Ethics* and *International Standards for the Professional Practice of Internal Auditing*, and the U.S. Government Accountability Office Generally Accepted Government Auditing Standards (GAGAS).

In acting as validators, we are fully independent of the organization and have the necessary knowledge and skills to undertake this engagement. The validation, conducted during June 2024, consisted of a review of SIAD's quality control processes, a review of documents prepared by the SIAD, an evaluation of SIAD work products from a sample of audit reports and files, and interviews with staff and selected stakeholders of the internal audit function (detailed list in Attachment A to this report).

Based on our independent validation of the self-assessment performed by SIAD, we agree with the overall conclusion the internal audit function "**Generally Conforms**" with the Texas Internal Auditing Act, the Institute of Internal Auditors'(IIA) *Code of Ethics* and *International Standards for the Professional Practice of Internal Auditing*, and the GAGAS (all together, the "*Standards*"). This rating is the top rating achievable and means the internal audit function has a charter, policies, and procedures in place to implement the standards and requirements necessary for ensuring the independence, objectivity and proficiency of the internal auditing program.

The following report contains a summary of our observations, including the successful practices we observed and any applicable opportunities to consider for enhancing the internal audit function.

We would like to thank you and your team for the cooperation and hospitality extended to us during the validation. Please do not hesitate to reach out to any of the team should you have any questions.

Sincerely,



_____
Douglas Horr, CIA, CCEP
Chief Audit Executive
Rutgers, The State University of NJ



_____
Chad Brackin, CPA, CFE
Chief Auditor
Louisiana State University

Vijay Patel

_____
Vijay Patel, CPA, CISA, CFE
Chief Audit Executive
Mississippi Institutions of Higher Learning

c. Mr. John Sharp, Chancellor, TAMUS
Mr. Michael Hernandez, Chair of the Committee on Audit
TAMUS Board of Regents

Overall Conclusion of the Independent Validation Team

Based on the on the information we received and evaluated, we agree with the overall conclusion the internal audit function "**Generally Conforms**" with the Texas Internal Auditing Act, the Institute of Internal Auditors'(IIA) *Code of Ethics* and *International Standards for the Professional Practice of Internal Auditing*, and the GAGAS in all material respects during the period under review.

The table below details the specific IIA Standards, Code of Ethics, GAGAS, and the validation team's opinion of SIAD's conformance to each section. The rating system on which our opinion is based is defined below the table.

Standard Type and Description	Opinion
IIA 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
IIA 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 Results	Generally Conforms
2500 Monitoring Progress	Generally Conforms
2600 Communicating the Acceptance of Risks	Generally Conforms
The Institute of Internal Auditors' Code of Ethics	Generally Conforms
Generally Accepted Government Auditing Standards	Generally Conforms

"Generally Conforms" - SIAD has a charter, policies, and procedures in place found to be in accordance with the standards, even if enhancement opportunities existed.

"Partially Conforms" – means deficiencies, while they might inhibit activities, did not prohibit SIAD from carrying out its responsibilities.

"Does Not Conform" – means deficiencies in practice were found to be significant enough to seriously impair or prohibit SIAD from carrying out its responsibilities.

Successful Internal Audit Practices

The validation team noted several leading audit practices with regard to SIAD's activities. The following are those we noted to be the most prolific.

Independence and Objectivity (Standard 1100)
SIAD's functional reporting to the Board of Regents is considered to be a strength of the office and deemed essential to their success. Our conversations with system executives up to and including the Board of Regents all disclosed the importance of SIAD's independence and the objectivity with which the audit team carries out their responsibilities.

Proficiency and Due Professional Care (1200)
Given the Chief Auditor's recent notice of retirement, the validation team had numerous conversations with both system executives and staff regarding succession planning within SIAD. We were pleased to hear that SIAD directors and managers are all well-known and respected.

SIAD directors have made presentations at the Board level, and both are seen as viable candidates for the Chief Auditor's position by the Board and senior system officials. The importance of succession planning is an area emphasized in the new IIA standards effective in January 2025.

Communicating Results (Standard 2400)
The team noted observations and recommendations are discussed in detail with clients to ensure value-added outcomes. We observed audit reports are strong but fair, with comments made at the appropriate level of management. We verified this through our interviews as well.

We observed that excellence in communications was not limited to just audit reports. SIAD's interactions with operational units appear to aid in enhancing the control culture throughout the university. These interactions have built a bond of trust between the university community and SIAD, as exemplified by statements recorded by the team and built into the word cloud on the following page.



Monitoring Progress (Standard 2500)
Both administrators and staff noted how improvements in the follow-up process have not only helped with the effectiveness of implementing mitigation plans, but the efficiency with which SIAD was able to validate their execution.

Similarly, the validation team noted the consideration and implementation of opportunities noted for improvement by the last QAR team. Specifically the consideration of broader skills sets in recent hires to the department.

Gaps to Conformance

Neither the SIAD nor the validation team identified any gaps to conformance.

Opportunities for Improvement

SIAD has a mature and high performing audit function. Other than a discussion with SIAD management to assure they consider the new IIA and GAGAS standards moving forward we noted no opportunities for enhancement. The management team is already prepping for a working group to compare the IIA 2017 and 2025 standards to determine where there may be potential gaps and any needed enhancements. Similar work will be performed for the 2018 and 2024 GAGAS.

Attachment A– Objectives, Scope, and Methodology

Objective and Scope

As noted, the primary objective of this quality assessment (QA) review was to conduct an independent validation of the self-assessment performed by TAMU SIAD and provide reasonable assurance SIAD conforms with the *Standards*.

The scope and approach for independent validation included the SIAD activity as set forth in the internal audit charter which defines its purpose, authority, and responsibility. As noted, the basis for the QA review was for the 36-month period ending April 30, 2024.

Methodology

Our methodology included the following:

- Interviewing stakeholders of the SIAD function including, but not limited to: clients, the Chancellor and key administrators from the system, the chair of the Board of Regents' Committee on Audit, the Chief Auditor and his staff.
- Reviewing documents demonstrating SIAD's independence including SIAD and Committee on Audit charters and organizational structure
- Reviewing all applicable materials associated with managing the internal audit function including, but not limited to: the annual risk assessment, audit plan, audit manual, follow-up reports, and Committee on Audit presentations.
- Reviewing the quality assurance and improvement program
- Reviewing the results of the previous external quality assurance review and status of the implementation of recommendations.
- Reviewing a sample of SIAD's work product, including audit reports
- Preparing the validation statement documenting our conclusions.

VI. Internal Audit Plan for Fiscal Year 2027

This section includes the approved internal audit plan for fiscal year 2027.

System Internal Audit Department
Fiscal Year 2027 Audit Plan
(Includes potential audits for FY 2028 and FY 2029)

The following are planned audits for the fiscal year 2027 audit plan. The list also includes potential audits for fiscal years 2028 and 2029 that will be formally approved in subsequent years' audit plans.

SYSTEMWIDE

FY 2027

None

FY 2028 (Potential Audits)

Compliance with Benefits Proportional by Fund Requirements
Research Compliance

FY 2029 (Potential Audit)

IT Governance Practices and Applications

A&M SYSTEM OFFICES

FY 2027

Easterwood Airport Management

FY 2028 (Potential Audits)

Cash and Investments
Information Technology

FY 2029 (Potential Audits)

Benefits Administration
Texas A&M Innovation

TEXAS A&M UNIVERSITY

FY 2027

Athletics
College of Engineering – Information Technology
College of Medicine – Anatomical Gift Program
Mays Business School – Information Technology
Purchasing
Technology Services

FY 2028 (Potential Audits)

Clinical Healthcare Operations
College of Agriculture and Life Sciences – Information Technology
College of Education and Human Development – Information Technology
College of Veterinary Medicine and Biomedical Sciences – Information Technology
Facilities Development Reporting to the Texas Higher Education Coordinating Board (Texas A&M at Galveston) *
Fixed Assets
Programs for Minors
Sponsored Research Services

FY 2029 (Potential Audits)
- Accounts Payable
- College of Architecture – Information Technology
- College of Dentistry – Anatomical Gift Program
- Division of Finance and Business Services – Information Technology
- Higher Education Center at McAllen - Information Technology
- Human Resources
- School of Engineering Medicine – Information Technology
- Service Department Rates
- Student Receivables
- University Center and Memorial Student Center

TARLETON STATE UNIVERSITY

FY 2027
- None

FY 2028 (Potential Audits)
- Export Controls
- Student Health Services

FY 2029 (Potential Audits)
- Housing
- Student Affairs and Engagement

PRAIRIE VIEW A&M UNIVERSITY

FY 2027
- Export Controls
- Information Technology

FY 2028 (Potential Audits)
- Financial Management Services
- Health & Safety

FY 2029 (Potential Audits)
- Human Resources
- Student Affairs and Engagement

TEXAS A&M UNIVERSITY–CORPUS CHRISTI

FY 2027
- Housing
- Student Health Services

FY 2028 (Potential Audit)
- Export Controls

FY 2029 (Potential Audits)
- Contract Administration
- Research Administration

TEXAS A&M INTERNATIONAL UNIVERSITY

FY 2027
- Financial Management Services
- Health and Safety

FY 2028 (Potential Audits)
- Athletics
- Student Health Services

FY 2029 (Potential Audits)
- Export Controls
- Human Resources

TEXAS A&M UNIVERSITY–KINGSVILLE

FY 2027
- Athletics
- Research Administration

FY 2028 (Potential Audits)
- Export Controls
- Financial Management Services

FY 2029 (Potential Audits)
- Human Resources
- Student Affairs and Engagement

WEST TEXAS A&M UNIVERSITY

FY 2027
- Export Controls

FY 2028 (Potential Audits)
- Student Health Services
- Research Administration

FY 2029 (Potential Audit)
- Information Technology

EAST TEXAS A&M UNIVERSITY

FY 2027
- Student Health Services

FY 2028 (Potential Audit)
Export Controls

FY 2029 (Potential Audit)
Athletics

TEXAS A&M UNIVERSITY–TEXARKANA
FY 2027
Student Affairs and Engagement

FY 2028 (Potential Audit)
Programs for Minors

FY 2029 (Potential Audit)
Export Controls

TEXAS A&M UNIVERSITY–CENTRAL TEXAS
FY 2027
Facilities Development Reporting to the Texas Higher Education Coordinating Board *
Human Resources

FY 2028 (Potential Audits)
Export Controls
Financial Management Services

FY 2029 (Potential Audit)
Student Affairs and Engagement

TEXAS A&M UNIVERSITY–SAN ANTONIO
FY 2027
Contract Administration
Export Controls

FY 2028 (Potential Audits)
Health and Safety
Student Affairs and Engagement

FY 2029 (Potential Audits)
Programs for Minors
Student Information System

TEXAS A&M UNIVERSITY–VICTORIA
FY 2027
Diversity, Equity, and Inclusion Compliance
Financial Management Services
Health and Safety

Facilities Development Reporting to the Texas Higher Education Coordinating Board*

FY 2028 (Potential Audit)
Information Technology

FY 2029 (Potential Audit)
Athletics

TEXAS A&M AGRILIFE RESEARCH
FY 2027
Health and Safety
Transportation and Fleet

FY 2028 (Potential Audits)
Animal Care and Use – Outside of Brazos County
Information Technology

FY 2029 (Potential Audits)
Export Controls
Human Resources

TEXAS A&M AGRILIFE EXTENSION SERVICE
FY 2027
Health and Safety
Transportation and Fleet

FY 2028 (Potential Audit)
Information Technology

FY 2029 (Potential Audits)
Export Controls
Human Resources

TEXAS A&M ENGINEERING EXTENSION SERVICE
FY 2027
Health and Safety

FY 2028 (Potential Audits)
Contract Administration
Financial Management Services

FY 2029 (Potential Audit)
Human Resources

TEXAS A&M FOREST SERVICE
FY 2027
- Human Resources

FY 2028 (Potential Audit)
- Information Technology

FY 2029 (Potential Audit)
- Transportation and Fleet

TEXAS A&M TRANSPORTATION INSTITUTE
FY 2027
- Financial Management Services
- Health and Safety

FY 2028 (Potential Audit)
- Human Resources

FY 2029 (Potential Audit)
- Research Administration

TEXAS A&M VETERINARY MEDICAL DIAGNOSTIC LABORATORY
FY 2027
- None

FY 2028 (Potential Audits)
- Health and Safety
- Information Technology

FY 2029 (Potential Audits)
- Export Controls
- Human Resources

TEXAS A&M ENGINEERING EXPERIMENT STATION
FY 2027
- Information Technology

FY 2028 (Potential Audits)
- Export Controls
- Human Resources

FY 2029 (Potential Audits)
- Health and Safety
- Research Administration

TEXAS DIVISION OF EMERGENCY MANAGEMENT

FY 2027
- Information Technology
- Transportation and Fleet

FY 2028 (Potential Audits)
- Human Resources
- Health and Safety

FY 2028 (Potential Audits)
- Contract Administration
- Disaster Finance

* These audits will be performed to fulfill requirements of the Texas Higher Education Coordinating Board's (THECB) Facility Audit Protocol for the members selected by THECB for facilities audits in the respective fiscal years.

System Internal Audit Department
Fiscal Year 2027 Audit Plan
(Includes potential audits for FY 2028 and FY 2029)

The purpose of the audit plan is to outline audits and other activities the System Internal Audit Department will conduct during fiscal year 2027. The plan is developed to satisfy responsibilities established by the Board of Regents Bylaws, System Policy 10.01, *Internal Auditing*, Texas Government Code Section 2102.008, and applicable auditing standards. Deliverables for planned audits may include audit reports, technical assistance, data analysis, and other written and oral communications. The chief auditor is authorized to make changes to the plan to address changes in identified risks. The Committee on Audit and Risk Management and the chancellor will be notified of any significant additions, deletions, or other changes to the fiscal year 2027 audits listed in this plan.

The specific scope of each audit will be determined once the audit team has completed the planning process for the audit. This process includes consideration of the governance, risk management, and control processes that provide reasonable assurance that:

- Risks relating to the achievement of the system's strategic objectives are appropriately identified and managed.
- The actions of the system's officers, directors, management, employees, contractors, or other relevant parties are in compliance with the system's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the system.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

Internal Audit Plan for Fiscal Year 2027
Risk Assessment Methodology

The development of our annual audit plan is based on a rigorous risk-based approach. Our process includes meeting with each A&M System member, CEO and their executive team, as well as members of the Chancellor's executive committee to obtain information on risks facing the A&M System in the upcoming 12 to 18 months. During the meetings, financial, strategic, compliance, and other potential significant risk areas are discussed. Using information gathered from these meetings, our members' most recent enterprise risk management information, compliance plan information, and prior audit coverage, we analyze risks associated with over 350 auditable units. The auditable units include areas such as finance, research, information technology, auxiliary enterprises, student services, and health and safety. Also considered for the fiscal year 2027 audit plan were risks associated with benefits proportionality as described in Rider 8, page III-58, the General Appropriations Act (89th Legislature), contract administration as described in Government Code 2261, State Contracting Standards and Oversight and applicable information technology risks related to Title I, Texas Administrative Code, Chapter 477, *Information Security Standards*. Our plan is not a static document; risks may change during the year and audits may need to be added or cancelled due to changing risks. Any significant changes to the plan are communicated to the Committee on Audit.

This collection of information provides the means to assess the risks for the auditable units of each A&M System member and ultimately prioritize the list of auditable units based upon their overall risk to the organization. Those auditable units with the highest calculated risk for the A&M System are included in the annual audit plan. The total budgeted hours for the audit plan is 33,500.

Internal Audit Plan for Fiscal Year 2027

Listing of audits included in the fiscal year 2027 Audit Plan which address the following:

Benefits Proportionality

None

Contract Management

A&M SYSTEM OFFICES
Easterwood Airport Management

TEXAS A&M UNIVERSITY
Athletics

TEXAS A&M UNIVERSITY–KINGSVILLE
Athletics

TEXAS A&M UNIVERSITY–SAN ANTONIO
Contract Administration

VII. Reporting Suspected Fraud and Abuse

General Appropriations Act fraud reporting requirements:

Members of the A&M System have a link on their home page for reporting suspected fraud. The *Risk, Fraud & Misconduct Hotline* link directs an individual to the A&M System's vendor supported anonymous reporting hotline which informs individuals of methods to report fraud including a link to the State Auditor's Office Fraud Hotline website and toll-free telephone number.

The A&M System's policy and regulation on *Fraud Prevention* (http://policies.tamus.edu/10-02.pdf and https://policies.tamus.edu/10-02-01.pdf) establish the responsibilities of employees, management, and Internal Audit related to the prevention, deterrence, detection, and investigation of fraud.

Texas Government Code reporting requirements:

The Texas A&M University System Internal Audit Department is responsible for reviewing allegations of fraud. Internal Audit reports to the State Auditor's Office incidences that the department believes involve fraud, misappropriation, or misuse of funds received by the A&M System from the state.