

Stephen F. Austin State University

Internal Audit Annual Report

Fiscal Year 2025

Audit Report 26-200



Department of Audit Services

Jane Ann Bridges, CPA, CIA, CFE, Chief Audit Executive
Box 6121, SFA Station • Nacogdoches, Texas 75962
Phone: (936) 468-5204
Email: bridgesja1@sfasu.edu

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October 13, 2025

Mr. Thomas Mason
Chairman, SFASU Internal Audit Committee
7619 Marquette St.
Dallas, Texas 75225-4412

Dr. Neal Weaver
President
1936 North Street, Austin Building, Suite 309
Nacogdoches, Texas 75962

Dear Mr. Mason and Dr. Weaver:

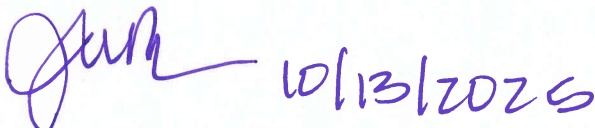
I am pleased to submit the annual report of the Department of Audit Services (Audit Services) for fiscal year 2025. This report fulfills the requirements of the Texas Internal Auditing Act (Act), Texas Government Code (TGC), Section 2102.009, *Annual Report*. In accordance with the Act, this report will be submitted to the Office of the Governor, the Legislative Budget Board, and the State Auditor's Office (SAO) no later than November 1, 2025. The report was prepared using the guidelines provided by the SAO.

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

During fiscal year 2025, we issued 14 risk-based, required, advisory, or investigation-related reports. The work of Audit Services has enhanced university operations and provided value to management with recommendations relating to governance, risk management, and control processes at Stephen F. Austin State University (University, SFASU, or SFA).

For further information about this report or any project mentioned in the report, please contact me.

Respectfully submitted,



Jane Ann Bridges, CPA, CIA, CFE
Chief Audit Executive

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Section I. Compliance with Posting Requirements

Requirement: Compliance with TGC, Section 2102.015, *Publication of Audit Plan and Annual Report on Internet*. Include a brief explanation of the procedures followed to post the internal audit annual report and audit plan on the agency's website.

TGC 2102.015 - Publication of Audit Plan and Annual Report on Internet

- (a) Notwithstanding Section 2102.003, in this section, "state agency" means a board, commission, department, institute, office, or other agency in the executive branch of state government that is created by the constitution or a statute of this state, including an institution of higher education as defined by Section 61.003, Education Code.
- (b) Subject to Subsection (c), at the time and in the manner provided by the state auditor, a state agency shall post on the agency's Internet website:
 - (1) the agency's internal audit plan approved as provided by Section 2102.008; and
 - (2) the agency's annual report required under Section 2102.009.
- (c) A state agency is not required to post information contained in the agency's internal audit plan or annual report if the information is excepted from public disclosure under Chapter 552.
- (d) A state agency shall update the posting required under this section at the time and in the manner provided by the state auditor to include a detailed summary of the weaknesses, deficiencies, wrongdoings, or other concerns, if any, raised by the audit plan or annual report.
- (e) A state agency shall update the posting required under this section to include 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.

As required by TGC 2102.015 (b), Audit Services posts annual reports and the approved fiscal year audit plans on its website at <https://www.sfasu.edu/audit/>. This report will be posted to the website no later than November 1, 2025.

To further meet TGC 2012.015 requirements, audit reports are posted at <https://www.utsystem.edu/documents/audit-reports-institution>. Audit results are included in each issued audit report, which are provided to the State Auditor's Office. Also, a summary table of observations identified from fiscal year 2025 engagements, the actions taken or planned to be taken by management, and the current implementation status is included as Appendix A in this report.

Section II. Internal Audit Plan for Fiscal Year 2025

Requirement:

- Include a list of audits planned for the prior fiscal year, and for each audit completed provide report numbers, dates, and titles.
- If an audit was not completed or is ongoing as a carry-over project, include the current status of the audit.

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- Include a brief explanation for any deviations from the audit plan.

Note: For higher education institutions, report the findings for the higher education institution assessment required by Texas Education Code (TEC), Section 51.9337(h), in this section or in a separate report to the SAO.

The following table details Audit Services' progress on the fiscal year 2025 audit plan and includes the required information.

Report or Engagement #	Engagement/Project Name	Status
Assurance Engagements		
24-100	Financial Aid and Scholarships Audit as of January 31, 2025 (Carryforward from FY2024)	In Progress
24-101	General Ledger Reconciliations Audit as of December 31, 2024 (Carryforward from FY2024)	Report Released 06/30/25
25-100	Privileged Access Management Audit as of January 31, 2025	In Progress
25-102	Youth Protection Program Audit as of November 1, 2024	Report Released 12/10/24
25-103	Change Management – School of Nursing Audit as of April 30, 2025	Report Released 09/24/25
25-104	LERR and STARs Expenditures Audit as of March 31, 2025	Report Released 09/24/25
SP 25-A	Surprise Cash Counts	Report Released 06/30/25
Required and Follow-Up Engagements		
24-601	Follow-Up on Management Action Plans – External (In Progress at the end of FY2024)	Report Released 12/12/24
25-200	Annual Audit Report as of August 31, 2024	Report Released 10/18/24
25-201	Contract Management Assessment (TEC 51.9337) as of April 30, 2025	Report Released 06/30/25
25-202	NCAA Agreed-Upon Procedures (assistance to external auditors)	Report Released by External Firm 01/23/25
25-203	Charter School Financial Statements (assistance to external auditors)	Report Released by External Firm 01/23/25

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Report or Engagement #	Engagement/Project Name	Status
25-204	External Audit Assistance	Ongoing; No report
25-205	Financial Statement Audit (assistance to external auditors)	Ongoing; No Report
25-600	Follow-Up on Management Action Plans – Internal	Ongoing; No report
Advisory Engagements (See Section III for additional information)		
24-301	Account Reconciliation Reviews (In Progress at the end of FY2024)	Report to Management 11/06/24
SP 24-E	Software Applications (In Progress at the end of FY2024)	Report to Management 12/17/24
25-300	Institutional Committee Meetings and Ad Hoc Workgroups	Ongoing; No report
25-301	Data Analytics/Continuous Auditing Program	Ongoing; No report
25-302	Responding to Institutional Requests for Information and Advice	Ongoing; No report
25-303	Enrollment Processes	Report to Management 08/08/25
25-304	NCAA Athletics Financial Reporting Process	Report to Management 11/06/24
25-305	Athletic Academic Progress	Report to Management 02/25/25
25-307	SFA Press Financial and Operating Review	Report to Management 12/17/24
Hotline Assessments and Investigations		
25-400	Fraud Hotline	Ongoing; No report
25-401	Investigations	Ongoing; No report

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Report or Engagement #	Engagement/Project Name	Status
Development Projects (Operations, Initiatives, and Education)		
25-700	SFA Meetings and Events	Ongoing; No report
25-701	Staff Meetings	Ongoing; No report
25-702	Internal Audit Committee	Ongoing; No report
25-703	UT System Meetings	Ongoing; No report
25-704	Technical Support	Ongoing; No report
25-705	Quality Assurance and Improvement Plan	Ongoing; No Report
25-706	Management and Leadership of the Department	Ongoing; No report
25-707	Responding to External Requests for Information	Ongoing; No report
25-708	Risk Assessment and Fiscal Year 2026 Audit Plan	Completed; Reported to Audit Committee 06/24/25
25-800	Professional Development	Completed; No report
25-801	Certifications	Ongoing; No report
25-802	Professional Associations	Ongoing; No report
25-803	SFA Audit Strategic Initiatives	Ongoing; No report
25-804	UT System Audit Office Initiatives	Ongoing; No report

Deviations from the Fiscal Year 2025 Audit Plan

Audit Services completed its fiscal year 2025 audit plan except for the deviations noted below.

Report or Engagement #	Engagement/Project Name	Action
25-101	Diversity, Equity, and Inclusion (TEC 51.3525)	Removed
25-306	Compliance Function	Removed
25-601	Follow-Up on Management Action Plans – External	Carryforward to FY26

Texas Education Code, Section 51.9337(h)

Senate Bill 20 (84th Legislative Session) made several modifications and additions to TGC and TEC related to purchasing and contracting. Effective September 1, 2015, TEC 51.9337(h) requires that “The chief auditor of an institution of higher education shall annually assess whether the institution has adopted the rules and policies required by this section and shall submit a report of findings to the state auditor.”

The most recent assessment was completed as of April 30, 2025 and the report (#25-201) was issued on June 30, 2025. Audit Services gained assurance that SFA was generally in compliance with adopting the rules and policies required by TEC 51.9337. The report can be accessed at <https://www.utsystem.edu/documents/audit-reports-institution>.

Section III. Consulting Services and Other Activities

Requirement:

- Include a list of consulting services, as defined in Texas Government Code, Chapter 2102, that were completed during the fiscal year, as well as other activities performed by the internal audit function.
- Include report numbers, dates, and titles, as well as the high-level objective(s) and a summary of observations, results, and recommendations for each project, as applicable.

TGC 2102.003 - Definitions

(4) “Consulting services” means advisory and related client service activities, the nature and scope of which are agreed upon with the client and are intended to add value and improve an organization’s operations. Consulting services include counsel, advice, facilitation, and training.

The following table reflects the list of advisory services completed in fiscal year 2025. Any recommendations from these activities are included on the list in Appendix A.

Engagement or Activity	Objective or Impact
24-301 Account Reconciliation Reviews (In Progress at the end of FY2024)	The objective was to evaluate the University’s account reconciliation and monitoring plan to help ensure compliance with UTS Policy 142.

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Engagement or Activity	Objective or Impact
SP 24-E Software Applications (In Progress at the end of FY2024)	The objective was to review applications for any documented procedures, manuals, or guidelines maintained by management and to determine if any potential redundant capabilities exist.
25-303 Enrollment Processes	The objective was to assist management in identifying areas for improvement in the enrollment process.
25-304 NCAA Athletics Financial Reporting Process	The objective was to assist management in identifying areas for improvement relating to the University's NCAA financial reporting process.
25-305 Athletic Academic Progress	The objective was to assist management in identifying areas for improvement relating to the University's NCAA APR reporting process.
25-307 SFA Press Financial and Operating Review	The objective was to assist management in identifying financial trends and operational responsibilities of the SFA Press department.

Other consulting services included the following during fiscal year 2025:

Engagement or Activity	Objective or Impact
25-300 Institutional Committee Meetings and Ad hoc Workgroups – Handbook of Operating Procedures Committee (HOP)	Participated on the HOP committee; HOP reviews University policies and operating procedures.
25-300 Institutional Committee Meetings and Ad hoc Workgroups – Executive Compliance Committee (ECC)	Participated on the ECC as an advisory member; ECC's primary function is to direct policy and instill the importance of compliance in the University community.
25-300 Institutional Committee Meetings and Ad hoc Workgroups – Compliance Coordinating Committee (CCC)	Participated on the CCC as an advisory member; CCC's primary function is to oversee the implementation of the compliance program throughout the University.
25-301 Data Analytics/Continuous Auditing Program	Developed various data analytics programs and perform continuous review of high-risk areas/ controls and/or areas as requested by management.
25-202 NCAA Agreed-Upon Procedures (assistance to external auditors)	Provided assistance and coordination for external auditors in the performance of the annual NCAA Agreed Upon Procedures for Fiscal Year 2024.
25-203 Charter School Financial Statements (assistance to external auditors)	Provided assistance and coordination for external auditors in the performance of the annual financial statement audit of the Charter School for Fiscal Year 2024.
25-204 External Audit Assistance	Provided assistance and coordination to external auditors with the SAO, Comptroller's Office, and Texas Higher Education Coordinating Board (THECB).

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Engagement or Activity	Objective or Impact
25-205 Financial Statement Audit	Provided assistance and coordination to external auditors in the performance of the required annual financial statement.
25-400 Fraud Hotline	Facilitated the University's anonymous reporting system; Participated on the University's anti-fraud team.
25-401 Investigations	Triaged reports from various sources (i.e. hotline, management, SAO) and performed investigations where necessary.
25-302 Responding to Institutional Requests for Information and Advice	Provided guidance to strengthen department controls as requested by management.
25-703 UT System Meetings – Participated in a number of roundtables and meetings at UT System (e.g., IT Roundtable, Data Analytics Roundtable)	Collaboration on systemwide internal audit efforts.
25-802 Professional Associations – Served the Association of College & University Auditors (ACUA) as a committee member on the Sideline (Athletics) Committee	Contributed to the internal audit profession and strengthened knowledge base.
25-802 Professional Associations – Served the Texas Association of College & University Auditors (TACUA) as a board member and/or committee member	Contributed to the internal audit profession and strengthened knowledge base.

Section IV. External Audit Services Procured or Ongoing

Requirement: Include a list of all external audit services that were either procured or ongoing during the fiscal year. Examples of these services may include, but are not limited to, financial and performance audits and attestation engagements, such as a review or an agreed-upon procedures engagement.

The following table reflects external services that were procured or ongoing during fiscal year 2025.

Service	Frequency	External Auditors	Audit Required By
NCAA Agreed-upon Procedures	Annual	Goff & Herrington	NCAA Bylaws 20.2.4.17
Charter School Financials	Annual	Goff & Herrington	Texas Administrative Code, Title 19 Education, Part 2 Texas Education Agency, Chapter 100 Charters, Subchapter AA Commissioner's Rules Concerning Open-Enrollment Charter Schools, Division 3 Charter School Funding and Financial Operations, Rule 100.1047 Accounting for State and Federal Funds, (c) Annual Audit

Section V. External Quality Assurance Review (Peer Review)

Requirement: Include a copy of the executive summary or a summary of issues from the most recent external quality assurance review or peer review report.

The most recent external quality assurance review was conducted during April and May 2022 by the Chief Auditor of the Texas A&M University System. The report was released on August 3, 2022. A copy of the report is included as Appendix B.

Note: During the year ended August 31, 2023, the SFASU Board of Regents voted to affiliate with The University of Texas System. The 88th Texas Legislature passed enabling legislation, which was signed into law by the Governor of Texas in May 2023. On September 1, 2023, the University was reestablished in statute as Stephen F. Austin State University, a member of the UT System. As of September 1, 2023, SFASU's Board of Regents was dissolved, and SFASU became subject to the authority of the UT System Board of Regents. Therefore, our next external quality assurance review will be conducted in alignment with UT System's quality review cycle (Expected in Summer/Fall 2026).

Section VI. Internal Audit Plan for Fiscal Year 2026

Requirement:

- Include the approved audit plan.
 - If the plan is pending approval from the governing board or chief executive and is not submitted with the annual report, specify the date the plan will be submitted.
 - If the audit plan is modified during the fiscal year, submit a copy of the revised plan to the oversight agencies.
- Include the budgeted hours for all projects.
- Include a list of additional risks ranked as "high" that were identified but are not included in the audit plan.
- Include a brief description of the risk assessment or methodology used to develop the audit plan, including consideration, if any of:
 - The applicable information technology risks related to Title 1, Texas Administrative Code, Chapter 202 (Information Security Standards).
 - Benefits proportionality.
 - Methods for ensuring compliance with contract processes and controls and for monitoring agency contracts, as required by Texas Government Code 2102.005(b).

Note: For higher education institutions, Rider 8, page III-58, the General Appropriations Act (89th Legislature, Conference Committee Report), requires each higher education institution to consider audits of benefits proportionality when developing their annual internal audit plans for fiscal years 2026 and 2027.

Fiscal Year 2026 Audit Plan Overview

The fiscal year 2026 audit plan reflects details for audits and other activities that Audit Services plans to perform during the fiscal year. The plan was approved by the Internal Audit Committee on June 24, 2025. Any changes to the fiscal year 2026 audit plan will be made in accordance with the Internal Audit Activity Charter.

Total plan hours of 6,592 is based on a staff of four (4) internal audit professionals, taking into consideration the following:

- Co-sourced staffing engagements.
- Paid Time Off.
- General and administrative time.

The audit plan is divided into these categories, and details are shown in the following table:

- Assurance engagements.
- Advisory engagements.
- Required engagements.
- Investigations.
- Special projects (reserve).
- Follow-up.
- Development - Operations.
- Development - Initiatives and Education.

Detailed Audit Plan

Engagement	Budget	General Objective/Description
Assurance Engagements		
Business Continuity	280	Determine whether Business Continuity Planning is effective to resume business operations timely in the event of a disaster (unit/department level).
Change Management	240	Identify gaps, risks, and areas of non-compliance with university policies and procedures in departments with new leadership.
Contract Administration	320	Gain assurance that University contracts are appropriately administered, authorized, and monitored.
Data Governance Assessment	320	Assess data governance and data strategy. Meets TAC 202.76 requirement.
Executive Travel and Entertainment	280	Gain assurance that travel and entertainment activities and expenditures are conducted in accordance with UT System and University policy.

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Engagement	Budget	General Objective/Description
Research Grants	280	Gain assurance that controls and processes for research grant activities exist and are operating as intended. Assess compliance with applicable requirements.
Scholarship Administration	320	Gain assurance that controls and processes for scholarships exist and are operating as intended. Determine if scholarships are in compliance with donor restrictions, if applicable.
UTS 142 Account Reconciliations and Monitoring	240	Determine compliance with monitoring of account reconciliations and segregations of duties requirements per UTS142.
Advisory Engagements		
Participation on University Committees/Ad hoc Workgroups	160	Participation on various committees or ad hoc workgroups
Data Analytics/Continuous Auditing Program	440	Develop various data analytics programs and perform continuous review of high-risk areas/controls and/or areas as requested by management.
Responding to Institutional Requests for Information and Advice	80	Hours reserved for responding to requests and inquiries from the campus community.
Academic Affairs	120	Hours reserved for assisting new academic affairs leadership.
Resource Utilization	80	Assist management in identifying non-core activities that consume resources and detract from mission critical functions.
Enrollment Process - Phase 2	200	Assist management in identifying areas for improvement relating to the University's enrollment process. Phase 2
Residence Life	160	Assist management in identifying areas for improvement relating to Residence Life processes.
Required Engagements		
Contract Management Assessment	40	Assess compliance with Texas Education Code §51.9337 related to State procurement requirements.
NCAA Agreed-Upon Procedures	80	Provide assistance and coordination for external auditors in the performance of the annual NCAA Agreed Upon Procedures for Fiscal Year 2024.
Charter School Financial Statement	40	Provide assistance and coordination for external auditors in the performance of the annual financial statement audit of the Charter School for Fiscal Year 2024.
External Audit Assistance	100	Provide assistance and coordination to external auditors with the SAO, Comptroller's Office, THECB, or federal agencies.

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Engagement	Budget	General Objective/Description
Financial Statement Audit	15	Provide assistance and coordination to external auditors in the performance of the required annual financial statement.
Investigations		
Investigations	80	Intake and triage reports from various sources (i.e. hotline, management, SAO) and investigate as needed.
Reserve		
Special Projects/Emerging Risks	321	Reserve for unanticipated projects and management requests.
Follow-Up		
Follow-Up on Management Action Plans - Internal	300	Follow up on outstanding management action plans.
Development - Operations		
Annual Audit Report - Fiscal Year 2025	40	Report Internal Audit's activities to the Texas State Auditor as required by Texas Internal Auditing Act.
SFA Meetings and Events	100	Attendance at SFA meetings and other events for informational and operational purposes (i.e. semester welcome, service awards, receptions).
Staff Meetings	288	Recurring staff meetings.
Internal Audit Committee	180	Prepare for internal audit committee meetings; attend meetings; prepare minutes and summaries; and engage with current and prospective external members of the committee.
UT System Meetings	140	UT System Audit Office meetings, including CAE, IAC (non-CPE related), eCase Champion, IT auditors, other meetings not specific to System initiatives.
Technical Support	60	Troubleshooting IT and other workforce issues, including audit software/tools. Reserved for CAE & Assistant CAE.
Quality Assurance and Improvement Plan	300	Perform internal quality procedures and annual internal assessment, Standards gap analysis, participate on assessment teams, updating audit procedures, records management, etc. Required by Standards.
Management and Leadership of the Department	240	Includes hiring, development, budgeting, performance appraisals, administrative duties, leadership, promoting the internal audit department, executive meetings, and all other responsibilities of the CAE/Asst CAE that are not directly attributable to a specific audit project.
Responding to External Requests for Information	20	Requests for reporting from UT System, the SAO, and other external agencies.

Engagement	Budget	General Objective/Description
Risk Assessment and Fiscal Year 2027 Audit Plan	200	Perform the annual risk assessment and develop the Fiscal Year 2027 audit plan.
Development - Initiatives and Education		
Professional Development	288	Professional development for staff, includes CPE, non-CPE, and travel time.
Certifications	60	Time spent on certification study and testing per SFA Audit Manual guidance.
Participation in Professional Organizations	100	Participate in professional organizations (boards, committees).
SFA Audit Strategic Initiatives	80	Development of strategic initiatives in Internal Audit.
Total Budgeted Hours	6,592	

High-Risk Areas Not Covered in Audit Plan

Critical and high-risk areas identified by Audit Services but not included in the fiscal year 2026 audit plan are related to the following:

- Athletics.
- Enterprise Activities.
- Facilities Management.
- Finance.
- Human Resources.
- Information Technology.
- Risk Management and Compliance.
- Student Services and Enrollment Management.

While related engagements are not currently part of the fiscal year 2026 audit plan, there are other mitigating controls or activities that address the objectives at risk.

Risk Assessment Methodology

The University continually assesses risk at all levels. Risks are discussed and evaluated as new regulations are proposed and enacted; management changes occur; information technology upgrades or changes are made; goals and objectives are set and reviewed; and other factors as necessary.

During the fiscal year 2026 audit planning process, Audit Services used the risk assessment methodologies as outlined below:

- **Research** - Researched emerging risks and industry-specific risks for applicability to the University. In addition, reviewed past risk assessments, including those from other UT

institutions. Other resources for this evaluation include past audits (internal and external), collective audit experience, guidance from the UT System, and discussions of risks with the Internal Audit Committee.

- **Survey of Risks** - Collaborated with the Compliance Coordinating Committee (CCC) to develop a survey of risks. One hundred twenty-two members (100% response rate) of the University community, including administrators, deans, department chairs, and directors, participated in the survey. The survey required each respondent to assess the impact along with the probability of the risk occurring for twenty-seven identified risks as high, medium, or low. In addition, sixty-one departmental questions were asked to assess departmental risks. The survey also asked respondents to identify any other risks or potentially fraudulent activities. The top ten risks were presented to the President's Cabinet in April 2025 and to the CCC and Internal Audit Committee in June 2025.
- **Interviews** - Meetings were held with key stakeholders to discuss risks that may affect the accomplishment of campus-wide and department-level strategic initiatives and significant objectives.
- **Inventory of Risks** - Standardized UT System tools were employed to document the assessment of risks. Risks were scored based on factors of probability and impact. All critical and high risks require either an audit or some other form of risk mitigation.

Probability: The likelihood that a risk will occur (harming a business objective) due to inadequacy in internal control systems (management, operations, or process); and/or the likelihood that an external threat (regulatory, financial, or market) or systemic issue will cause the risk to occur.

Impact: The extent to which a risk (if realized) would impact the organization, considering the importance of the business objective harmed and the nature and volume of the harm that will be done.

Texas Administrative Code, Chapter 202 (Information Security Standards)

Information technology infrastructure and information security risks are considered during the risk assessment. As a result, a data governance assurance engagement was included in the fiscal year 2026 audit plan.

Benefits Proportionality Audit Requirements

As required by Rider 8, page III-58, of the General Appropriations Act (89th Legislature, Conference Committee Report) Audit Services considered the risk that benefits were not paid proportionate to the source of funding, which could result in excess reimbursement from State appropriated funds. Based on the risk assessment and previous audit results, an engagement specific to benefit proportionality was not included in the plan.

Texas Government Code, Section 2102.005(b)

The Act requires internal auditors to consider methods for ensuring compliance with contract processes and controls and for monitoring agency contracts while conducting audits. Risks for contract processes and controls were considered during the risk assessment. As a result, a contract administration assurance engagement was included in the fiscal year 2026 audit plan.

Section VII. Reporting Suspected Fraud and Abuse

Requirement:

- Include a brief description of the entity's actions taken to comply with the fraud reporting requirement of Section 7.09, Page IX-41, the General Appropriations Act (89th Legislature, Conference Committee Report).
- Include a brief description of the entity's process to comply with the investigation coordination requirements of Texas Government Code, Section 321.022.

Note: Examples could include (1) information provided on the entity's website that indicates how to report suspected fraud, waste, or abuse involving state resources directly to the SAO and (2) a brief description of the entity's procedures for reporting suspected fraud, waste or abuse involving state funds to the SAO.

General Appropriations Act, Sec. 7.09, Page IX-41 - Fraud Reporting

A state agency or institution of higher education appropriated monies by this Act shall use appropriated monies to assist with the detection and reporting of fraud involving state monies by:

- (1) providing information on the home page of the entity's website on how to report suspected fraud, waste, and abuse involving state resources directly to the State Auditor's Office. This shall include, at a minimum, the State Auditor's Office fraud hotline information and a link to the State Auditor's Office website for fraud reporting; and
- (2) including in the agency or institution's policies information on how to report suspected fraud involving state monies to the State Auditor's Office.

TGC 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.

Fraud Reporting

Actions taken by the University to comply with the General Appropriations Act, Section 7.09, Page IX-41, are as follows:

- SFA provides a link for reporting fraud on the SFASU website homepage at <https://www.sfasu.edu>. This link provides information on how to report suspected fraud, including the SAO hotline number.
- SFA HOP Policy 01-403, *Dishonest or Fraudulent Activities*, includes the website and phone number to report fraud to the State Auditor's Office. The policy may be found at <https://www.sfasu.edu/docs/hops/01-403.pdf>.
- SFA distributes fraud posters that include the website and phone number to report fraud to the State Auditor's Office. A copy of the poster is included as Appendix C.

Coordination of Investigations

Actions taken by the University to comply with TGC 321.022 are summarized below.

- The Chief Audit Executive, General Counsel, and/or the Chief Compliance Officer lead investigations based on reports.
- The Chief Audit Executive coordinates investigations with the SAO when necessary. SFA complies with this in conjunction with the UTS Policy UTS 118, *Statement of Operating Policy Pertaining to Dishonest or Fraudulent Activities*, located at <https://www.utsystem.edu/sites/policy-library/policies/uts-118-dishonest-or-fraudulent-activities>.

Appendix A. Fiscal Year 2025 Observations and Action Plans

Observation (see ratings at end of the appendix)	Recommendation / Management Response	Status
24-101 General Ledger Reconciliations Audit as of December 31, 2024 (Carryforward from FY2024) Report Released 06/30/25		
<p>Reconciliations are standard procedures used to support and verify the accuracy, completeness, and validity of the University's financial activity, including all activity within the general ledger. An effective reconciliation process includes clear ownership and accountability, routine and timely completion, and consistency in the process. The following information is essential to the general ledger reconciliation process:</p> <ul style="list-style-type: none"> • Identification of the general ledger accounts included in the reconciliation. • Supporting data (e.g., subsidiary ledger) used to reconcile to the general ledger accounts. • Clear ownership and accountability for the reconciliation. To ensure proper segregation of duties, each of the following roles should be performed by a different responsible party. <ul style="list-style-type: none"> ○ Preparer. ○ Reviewer. ○ Posting entries to resolve reconciling items. • Risk-based prioritization of reconciliations (e.g., monthly, quarterly). • Thresholds for investigating reconciling differences. • Comprehensive documentation including, but not limited to: <ul style="list-style-type: none"> ○ Evidence of preparer and reviewer. ○ Date of completion and reviews. ○ Support for reconciling items. ○ Identification of supporting data. <p>Observation: During our review, we noted that the general ledger reconciliation procedures provided by management did not include the essential information to accurately and consistently perform general ledger reconciliations.</p> <p>Observation Rating: High</p>	<p>Recommendation: The Office of Financial Reporting should strengthen general ledger reconciliation procedures to help ensure the accuracy of University financial activity.</p> <p>Management Response: The Office of Financial Reporting will strengthen procedures related to general ledger reconciliations to ensure financial risk is mitigated and financial statements are accurate.</p>	Ongoing
Using the general ledger reconciliation procedures provided and best practices for reconciliations, we evaluated the University's general ledger reconciliation	<p>Recommendation: The Office of Financial Reporting should strengthen oversight of general ledger reconciliations to help ensure the accuracy of University financial activity.</p>	Ongoing

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Observation (see ratings at end of the appendix)	Recommendation / Management Response	Status																																															
<p>process by reviewing a sample of reconciliations for the following elements:</p> <ul style="list-style-type: none">Had a general ledger reconciliation been completed for the general ledger account(s)?Was appropriate supporting data (e.g., subsidiary ledger) used to reconcile to the general ledger account(s)?Did the general ledger book balance on the reconciliation match the balance found in Banner, the financial system?Was clear ownership and accountability present (e.g., signatures of preparer and reviewer)?Was the reconciliation completed timely (for purposes of our testing, 2 months after month-end)?Were all reconciling differences identified and resolved timely (for purposes of our testing, 2 months after month-end)? <p>The following table presents the percentage of general ledger balances that were selected as a sample for our audit procedures:</p> <table><tr><th></th><th>Month Ending August 31, 2024</th><th>Month Ending December 31, 2024</th></tr><tr><th></th><th>% Selected</th><th>% Selected</th></tr><tr><td>Assets and Deferred Outflows</td><td>52%</td><td>58%</td></tr><tr><td>Liabilities and Deferred Inflows</td><td>87%</td><td>35%</td></tr><tr><td>Net Position</td><td>100%</td><td>100%</td></tr></table> <p>Observation: During our procedures, we noted the following:</p> <table><tr><th>Sample of General Ledger Accounts</th><th>Yes</th><th>No</th><th>Total</th></tr><tr><td>Completed Reconciliation</td><td>28 (82%)</td><td>6 (18%)</td><td>34 (100%)</td></tr><tr><td>Reconciled to Appropriate Supporting Data</td><td>27 (96%)</td><td>1 (4%)</td><td>28 (100%)</td></tr><tr><td>General Ledger and Reconciliation Book Balance Match</td><td>27 (96%)</td><td>1 (4%)</td><td>28 (100%)</td></tr><tr><td>Evidence of Ownership</td><td>18 (64%)</td><td>10 (36%)</td><td>28 (100%)</td></tr><tr><td>Evidence of Accountability</td><td>15 (54%)</td><td>13 (46%)</td><td>28 (100%)</td></tr><tr><td>Completed Timely</td><td>14 (50%)</td><td>14 (50%)</td><td>28 (100%)</td></tr><tr><td>Reconciling Differences Identified and Resolved Timely</td><td>10 (36%)</td><td>18 (64%)</td><td>28 (100%)</td></tr></table> <p>Observation Rating: High</p>		Month Ending August 31, 2024	Month Ending December 31, 2024		% Selected	% Selected	Assets and Deferred Outflows	52%	58%	Liabilities and Deferred Inflows	87%	35%	Net Position	100%	100%	Sample of General Ledger Accounts	Yes	No	Total	Completed Reconciliation	28 (82%)	6 (18%)	34 (100%)	Reconciled to Appropriate Supporting Data	27 (96%)	1 (4%)	28 (100%)	General Ledger and Reconciliation Book Balance Match	27 (96%)	1 (4%)	28 (100%)	Evidence of Ownership	18 (64%)	10 (36%)	28 (100%)	Evidence of Accountability	15 (54%)	13 (46%)	28 (100%)	Completed Timely	14 (50%)	14 (50%)	28 (100%)	Reconciling Differences Identified and Resolved Timely	10 (36%)	18 (64%)	28 (100%)	<p>Management Response: Management will continue to strengthen procedures and documentation related to general ledger reconciliations to ensure financial risk is mitigated and financial statements are accurate and are adequately supported with proper, consistent, and documented detailed reconciliations.</p>	
	Month Ending August 31, 2024	Month Ending December 31, 2024																																															
	% Selected	% Selected																																															
Assets and Deferred Outflows	52%	58%																																															
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25-102 Youth Protection Program Audit as of November 1, 2024 Report Released 12/10/24																																																	
UTS 192 outlines the minimum components to be addressed in each UT institutional policy. The minimum components include the following:	Recommendation: The University should revise HOP 05-503 to fully align with UTS 192.	Implemented																																															

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Observation (see ratings at end of the appendix)	Recommendation / Management Response	Status
<ul style="list-style-type: none"> Youth Protection Designation. UT Sponsorship of Youth Programs. Supervision Ratios. Requirements for Designated Individuals. Prohibited Conduct of Designated Individuals. Insurance. Reporting Requirements. <p>Observation: University HOP 05-503 does not fully align with UTS 192. During our review, we noted the following components of UTS 192 are not addressed in HOP 05-503:</p> <ul style="list-style-type: none"> UT Sponsorship of Youth Programs Section 4.2(b). "The Youth Protection designated employee or department may require Youth Participant rosters, Designated Individual rosters, compliance certification, and any other documentation of an institutional department sponsored Youth Program or external third-party Youth Program for compliance purposes of the policy on youth protection." UT Sponsorship of Youth Programs Section 4.2(c). "It is at the institution's discretion whether to allow student organizations as an applicable institutional entity that can host a Youth Program or sponsor a third-party Youth Program. When an institution does allow for student organizations to host a Youth Program or sponsor a third-party Youth Program, the student organization must follow Section 4.2(a) and (b) of this Policy, and all other required elements of hosting Youth Programs or sponsoring third-party Youth Programs in this Policy." Supervision Ratios Section 4.3(b). "Minimum supervision ratios for virtual Youth Programs: A minimum of two Designated Individuals must be present in virtual Youth Programs at all times. A minimum of one Designated Individual must be present to supervise each of the virtual Youth Program's breakout rooms at all times. At no time should a Designated Individual be one-on-one with a Youth Participant in a breakout room." Supervision Ratios Section 4.3(c). "All requirements and prohibited conduct of Designated Individuals apply regardless of the Youth Program being held in-person, virtual, or remote." 	<p>Management Response: The University will revise HOP 05-503 to fully align with UTS 192.</p>	

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Observation Rating: High		
<p>The University, as required by UTS 192 adopted HOP 05-503 to promote the safety of minors while participating in youth programs.</p> <p>Observation: During our review, we noted several youth programs that were not included on the list of campus programs for minors maintained by the Reservations Office. Although the University has a policy related to youth programs, it appears that there is a lack of awareness across campus of the requirements when minors are on campus for a youth program.</p> <p>Observation Rating: High</p>	<p>Recommendation: The University should develop a communication plan to increase campus awareness relating to the requirements of HOP 05-503 to help ensure compliance with UTS 192 and HOP 05-503. The University should consider adding youth protection program requirements to the annual compliance training..</p> <p>Management Response: The University will develop a communication plan to increase campus awareness relating to the requirements of HOP 05-503 to ensure compliance with UTS 192 and HOP 05-503. The University will implement youth protection program requirements in the annual compliance training.</p>	Ongoing
<p>HOP 05-503 states, “The Reservations Office is the office responsible for oversight of all youth programs sponsored or affiliated with SFASU.”</p> <p>Observation: The University does not have an effective or efficient process for ensuring compliance with UTS 192 and HOP 05-503.</p> <p>Observation Rating: High</p>	<p>Recommendation: The University should strengthen procedures to help ensure compliance with the program requirements in UTS 192 and HOP 05-503.</p> <p>Management Response: The University will strengthen current procedures to ensure compliance with the program requirements outlined in UTS 192 and HOP 05-503. In addition, the University will pursue applicable software to synchronize efficiency.</p>	Ongoing
25-103 Change Management – School of Nursing Audit as of April 30, 2025 Report Released 09/24/25		
<p>University Policy 01-401, Compliance, states, “The department head of each operating unit within the university is responsible and shall be held accountable for compliance and compliance-related activities in their respective units. The department head shall maintain documented procedures and records for their activities and areas of responsibility.”</p> <p>Observation: The School lacked documented policies and procedures for some areas of oversight.</p> <ul style="list-style-type: none"> • Leave Reporting • Timekeeping • Licensing 	<p>Recommendation: The School should add or strengthen documented policies and procedures for areas of oversight to ensure compliance with University policies and procedures.</p> <p>Management Response: The School will develop procedures for areas of oversight to ensure compliance with University policies and procedures.</p>	Ongoing

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Observation (see ratings at end of the appendix)	Recommendation / Management Response	Status																																																												
<ul style="list-style-type: none">• Student Organizations• Budget• Procurement Cards• Procurement• Property• Information Technology and Security• Grant Activities. <p>Observation Rating: High</p>																																																														
<p>University Policy 03-302, Employee Training and Development, states “Supervisors and managers are responsible for...ensuring that employees complete all required compliance training in established timeframes.” The University currently utilizes Cornerstone, an online learning management system, to administer and retain all training requirements for employees. In the Fall of 2025, the University will move to a new training platform, NeoEd.</p> <p>Observation: During our audit procedures, we noted employees had not completed the required training as reflected in the table below:</p> <table><tr><th rowspan="2">Training</th><th rowspan="2">Frequency</th><th colspan="2">Completed</th><th colspan="2">Past Due</th><th colspan="2">Not Assigned</th><th rowspan="2">Total</th></tr><tr><th>#</th><th>%</th><th>#</th><th>%</th><th>#</th><th>%</th></tr><tr><td>Compliance</td><td>Annual</td><td>50</td><td>86%</td><td>6</td><td>10%</td><td>2</td><td>3%</td><td>58</td></tr><tr><td>Human Trafficking</td><td>One-Time</td><td>40</td><td>69%</td><td>4</td><td>7%</td><td>14</td><td>24%</td><td>58</td></tr><tr><td>Property</td><td>One-Time</td><td>29</td><td>76%</td><td>-</td><td>0%</td><td>9</td><td>24%</td><td>38</td></tr><tr><td>Purchasing 101</td><td>Every 2 years</td><td>3</td><td>60%</td><td>-</td><td>0%</td><td>2</td><td>40%</td><td>5</td></tr><tr><td>Youth Protection</td><td>Every 2 years</td><td>4</td><td>11%</td><td>-</td><td>0%</td><td>34</td><td>89%</td><td>38</td></tr></table> <p>Observation Rating: High</p>	Training	Frequency	Completed		Past Due		Not Assigned		Total	#	%	#	%	#	%	Compliance	Annual	50	86%	6	10%	2	3%	58	Human Trafficking	One-Time	40	69%	4	7%	14	24%	58	Property	One-Time	29	76%	-	0%	9	24%	38	Purchasing 101	Every 2 years	3	60%	-	0%	2	40%	5	Youth Protection	Every 2 years	4	11%	-	0%	34	89%	38	<p>Recommendation: The employees should complete the required trainings. The School should strengthen procedures to ensure compliance with training requirements.</p> <p>Management Response: Employees will complete the required trainings. The School will develop procedures for tracking and monitoring employee training through NeoEd. All faculty, adjunct faculty, and staff will be monitored. Compliance will be evaluated monthly and reminders sent as needed. Documentation will be maintained in a spreadsheet in the School Director/Associate Director Teams site.</p>	Ongoing
Training			Frequency	Completed		Past Due		Not Assigned		Total																																																				
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Youth Protection	Every 2 years	4	11%	-	0%	34	89%	38																																																						
<p>The School requires all faculty and simulation staff to have at a minimum a registered nursing license through the Texas Board of Nursing. The School utilizes CastleBranch, a compliance tracking and management application, to monitor licensure status.</p> <p>Observation: During our audit procedures, we noted 45 of 45 (100%) applicable employees had an active registered nursing license issued through the Texas Board of Nursing; however, the status of 13 (29%) employees was not accurately reflected in CastleBranch. Their status either showed 'incomplete', 'rejected', 'overdue', or no account existed for the employee. It does not appear that CastleBranch is being utilized effectively to monitor licensure status.</p> <p>Observation Rating: Low</p>	<p>Recommendation: The School should evaluate the use of CastleBranch and determine the best method for monitoring licensure status to ensure compliance with licensure requirements.</p> <p>Management Response: The School will require that faculty maintain updated licensure information in CastleBranch. The School will develop procedures that outline who will monitor this activity, how often it will be done, and where it will be tracked.</p>	Ongoing																																																												

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<p>University Policy 02-312, Faculty Workload, states, “The standard full-time teaching load is 24 Teaching Load Credits (TLC) for the combined fall and spring semesters. Additionally, faculty members are expected to engage in research/scholarly/creative and service activities at levels appropriate to their rank and academic unit tenure/merit criteria. The standard full-time teaching load for non-tenure track faculty members is 30 TLCs. By agreement with the academic unit head and dean, research/scholarly/creative activities or significant service commitments may reduce the teaching load of non-tenure track faculty by 3 TLCs per semester.”</p> <p>Observation: During our audit procedures, we were unable to recalculate the faculty TLCs and/or the related overload determinations based upon the documentation provided by the School. As noted in the Executive Summary, the School has already begun strengthening workload policies and procedures.</p> <p>Observation Rating: Medium</p>	<p>Recommendation: The School should continue to strengthen procedures and documentation related to the calculation of faculty workload, specifically the assignment of courses and overload determinations, to ensure consistent application and adherence to University workload standards.</p> <p>Management Response: The School will develop procedures for effective workload (EFW) that is equitable to all faculty across all nursing program tracks. The EFW for each semester will be approved by the College of Sciences and Mathematics Dean’s Office.</p>	Ongoing
<p>University Policy 01-402, Conflict of Interest, Conflict of Commitment, and Outside Activities, states, “Approval is required prior to engaging in the following activities: All outside employment or other compensated outside activities; all outside board service that reasonably appears to create a conflict of interest or a conflict of commitment, or requires time away from university responsibilities; and any uncompensated activity that reasonably appears to create conflict of interest or a conflict of commitment.”</p> <p>Observation: During our audit procedures, we noted 35 of 48 (72.9%) instances of outside employment disclosures did not have an approval on file.</p> <p>Observation Rating: Medium</p>	<p>Recommendation: The School should review outside employment disclosures and take appropriate action to ensure compliance with University policies and procedures related to outside employment.</p> <p>Management Response: The School will develop procedures for documenting compliance with the Conflict of Interest and Outside Employment Disclosures.</p>	Ongoing
<p>University Policy 03-507, <i>Vacation Leave</i>, states, “Vacation leave must be authorized in advance, and leave taken must be recorded using the university’s official leave reporting system(s). Leave documentation must be maintained in association with state record retention requirements.”</p> <p>University Policy 03-505, <i>Sick Leave</i>, states, “Faculty must submit leave forms (as designated by the</p>	<p>Recommendation: The School should add or strengthen procedures to ensure compliance with University policies and procedures related to leave reporting. In addition, the School should work with Payroll to determine if an adjustment is warranted for employees not reporting leave.</p>	Ongoing

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<p>department head) for all sick leave the faculty member takes if the absence occurs during the normal workday for regular employees, even if no classes are missed.”</p> <p>University Policy 03-408, <i>Time Reporting for Non-Exempt Employees</i>, states, “Official time records are to be maintained for all non-exempt employees via SFA’s electronic timekeeping system. When an employee does not have access to enter time through the electronic timekeeping system, time must be recorded and sent to the payroll office in a method established and by the due dates set by the payroll office.” The SFA State Record Retention Schedule indicates that leave requests are to be retained for a period of fiscal year end plus three years.</p> <p>Observation: During our audit procedures, we noted the following:</p> <ul style="list-style-type: none"> • For non-exempt employees, 15 of 19 (79%) instances of leave taken or requested were not supported by documentation. • For exempt employees, 9 of 20 (45%) instances of leave taken or requested were not supported by documentation. • There was 1 instance of an employee not reporting leave for a date identified by the University as closed, thus requiring employee to use accrued leave. • Leave requests have been retained from November 2024 to present. Therefore, the School does not conform with the state requirements of fiscal year end plus three years. <p>Observation Rating: Medium</p>	<p>Management Response: The School will update leave procedures to ensure compliance with University policies and procedures. A compliance spreadsheet will be used to track leave requests and reports to better ensure compliance with University policy. In addition, the School will work with Payroll to determine if an adjustment is warranted for employees not reporting leave.</p>	
<p>The University has Policy 05-306, Property Inventory and Management, and the Property Management Manual to guide employees in their duties as custodians of University property. In addition, Policy 05-306, Property Inventory and Management, states, “University property may be taken off campus only for official business of the university or another state agency. The individual taking equipment off campus assumes financial responsibility and must complete a Removal of Property from Campus Request form annually.”</p>	<p>Recommendation: The School should add or strengthen procedures to ensure compliance with University policies and procedures related to property.</p> <p>Management Response: The School will conduct quarterly checks in addition to the annual property review. These reviews will also confirm that required Removal from Campus Forms are on file.</p>	Ongoing

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Observation (see ratings at end of the appendix)	Recommendation / Management Response	Status
<p>Observation: During our audit procedures, we noted the following:</p> <ul style="list-style-type: none"> • 4 of 38 (10.5%) property items were reviewed with one or more exceptions. • 17 of 26 (65.4%) property items that had their location listed as "See Removal from Campus Form" did not have the requisite form on file. <p>Observation Rating: Medium</p>		
<p>The University has Policy 05-305, Procurement Card (P-Card), and the P-Card Program Manual to guide employees in their duties as procurement cardholders.</p> <p>Observation: During our audit procedures, we noted the following:</p> <ul style="list-style-type: none"> • 8 of 20 (40%) procurement card transactions were reviewed with one or more exceptions. • In addition, the School has four procurement cards. 4 of 4 (100%) monthly reports were reviewed with one or more exceptions. <p>Observation Rating: Low</p>	<p>Recommendation: The School should strengthen procedures to ensure compliance with University policies and procedures related to procurement cards.</p> <p>Management Response: The School will develop procedures related to procurement cards to ensure compliance with University policies and procedures.</p>	Ongoing
<p>The University has Policy 05-106, Travel, and the Travel Planning Guide to guide employees in their duties related to business travel.</p> <p>Observation: During our audit procedures, we noted 8 of 8 (100%) travel expense reports were reviewed with one or more exceptions.</p> <p>Observation Rating: Medium</p>	<p>Recommendation: The School should add or strengthen procedures to ensure compliance with University policies and procedures related to travel. The School should also consider training or refresher training for employees involved in the travel process.</p> <p>Management Response: The School will update procedures related to travel to ensure compliance with University policies and procedures. Training or refresher training will be scheduled as needed for new employees or experienced employees who have difficulty adhering to the procedure.</p>	Ongoing
<p>University Policy 04-122, Student Organization Formation and Recognition, states, "Only a Sponsored Student Organization may use the name of the University or an abbreviation of the name of the University or any of the university trademarks or service marks as part of or in conjunction with its Student Organization name." In addition, "No university</p>	<p>Recommendation: The School should add or strengthen procedures to ensure compliance with University policies and procedures related to student organizations. The School should ensure faculty or staff do not have access to funds belonging to student organizations. In addition, the School should</p>	Ongoing

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Observation (see ratings at end of the appendix)	Recommendation / Management Response	Status
<p>employee has the authority to open a bank account in the name of, or for the benefit of, any student organization nor should any employee be included as an allowable signatory on any off-campus bank account of any student organization. Student employees are exempted from these prohibitions.”</p> <p>The School’s website and Faculty Handbook show that there are five active student organizations associated with the School.</p> <p>Observation: During our audit procedures, we noted the following:</p> <ul style="list-style-type: none"> • 1 out of 5 (20%) student organizations listed on the School’s website was not registered with the student engagement office. • 4 out of 5 (80%) student organizations had faculty advisors with access to funds belonging to the student organization. • 1 out of 5 (20%) student organizations were unable to provide documentation regarding who has access to funds belonging to the student organization. <p>Observation Rating: Medium</p>	<p>ensure student organization officers take student organization training.</p> <p>Management Response: The School will develop procedures related to student organizations to ensure compliance with University policies and procedures. Procedures will address how each student organization’s faculty advisor will comply with University procedures for involvement with student organizations. In addition, the School will work with the Office of Student Engagement to ensure that student organization officers take the required University training.</p>	
<p>University Policy 05-516, Security Systems, states, “Access control systems: enable the monitoring and control of access to facilities and resources. In the context of physical security, these systems record the request for and subsequently allow or deny access to the requested area or resources. These systems may include but are not limited to: access card, numeric code, biometric identification or proximity device for access.” The School utilizes access cards through the University’s Patron system to grant access to School facilities.</p> <p>Observation: During our audit procedures, we noted the following:</p> <ul style="list-style-type: none"> • 20 of 267 (7.5%) individuals with access to the School’s facilities are retired or have been terminated from the University and should not have badge access to the School’s facilities. • 9 of 267 (3.4%) individuals with access to the School’s facilities work in a separate department 	<p>Recommendation: The School should work with Information Technology Systems to review the badge access list and take appropriate action. The University should strengthen procedures to ensure appropriate access is granted and/or removed on an ongoing basis.</p> <p>Management Response: The School will update its list of persons who have access to the School’s facilities. Now, only current faculty, staff, and students who need access to the building will be given access. The School will develop procedures for the administrative assistant, at the beginning of each semester, will provide a current and updated list for building access. This process will take students, faculty, and staff who no longer need access to the building out of the approved access list. In addition, the director will notify the badge access department to</p>	Ongoing

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Observation (see ratings at end of the appendix)	Recommendation / Management Response	Status
<p>that may not necessitate badge access to the School on a regular basis to perform their daily job duties.</p> <p>Observation Rating: Medium</p>	<p>remove any faculty and staff access upon termination if this occurs prior to the beginning of the next semester.</p>	
<p>ITS Policy Handbook, 14.1.2, Baseline Configuration, states, "All information systems will be imaged with the current up-to-date baseline image appropriate for the system. All additions, modifications, or deletions to the university provided baseline must have a documented exception to policy approved by the Information Security Office. The universities baseline will be updated annually, a detailed listing of each baseline based on operating system will be available upon request to the Information Security Office."</p> <p>Observation: During our audit procedures, we noted 8 of 32 (25%) computers reviewed were using an outdated version of antivirus software or had no antivirus software.</p> <p>Observation Rating: Medium</p>	<p>Recommendation: The School should strengthen security controls to ensure compliance with University ITS security policies and procedures.</p> <p>Management Response: The School Director will work with the IT department to determine a plan moving forward to ensure IT security controls are in place.</p>	Ongoing
<p>Internal Revenue Code (IRC) § 79 Group-Term Life Insurance Purchased for Employees, states, "There shall be included in the gross income of an employee for the taxable year an amount equal to the cost of group-term life insurance on his life provided for part or all of such year under a policy (or policies) carried directly or indirectly by his employer (or employers); but only to the extent that such cost exceeds the sum of (1) the cost of \$50,000 of such insurance, and (2) the amount (if any) paid by the employee toward the purchase of such insurance."</p> <p>Upon joining the UT System in 2023, benefits were transitioned to the UT Benefits program. Changes in benefits were noted with relation to coverage and premium rates.</p> <p>Observation: During our audit procedures, we noted that the calculation of imputed taxable income was not in accordance with applicable tax regulations. It appears this occurred during the UT System transition.</p> <p>Observation Rating: High</p>	<p>Recommendation: Management should determine the appropriate treatment of imputed taxable income, make corrections as warranted, and revise reporting as necessary.</p> <p>Management Response: Management will determine the appropriate treatment of imputed taxable income, make corrections as warranted, and revise reporting as necessary.</p>	Ongoing

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Observation (see ratings at end of the appendix)	Recommendation / Management Response	Status																																																
25-104 LERR and STARs Expenditures Audit as of March 31, 2025 Report Released 09/24/25																																																		
<p>The UTS Permanent University Fund Bond Proceeds for Library Equipment, Repair and Rehabilitation (LERR) and Faculty Science and Technology Acquisition and Retention (STARs) and Similar Funded Programs Expenditure Guidelines include the following guidance for use of program funds:</p> <ul style="list-style-type: none">Operating Expenses - “Consumables, which include those items that have an expected useful life of less than one year, are not eligible for LERR or STARs program funds, as these are considered operating expenses. Some examples include, but are not limited to, chemicals, gases, paper, staplers and other office supplies, toner cartridges, medical supplies, disposal services, and laboratory supplies.”Warranties and Similar Service Features - “The cost of warranties and similar service features related to a purchase of capital equipment (such as maintenance agreements and loaner programs) are not eligible for LERR, STARs, or similar program funds as these are considered operating expenses. This ineligibility also applies to warranty and similar service feature costs separately identified during original purchase. For example, a warranty agreement charge that is separately identified on a laptop purchase is not allowed.” <p>Observation: As part of our audit procedures, we reviewed the following LERR & STARs transactions:</p> <table><tr><th rowspan="2">Program</th><th colspan="2">Fiscal Year 2024</th><th colspan="2">Fiscal Year 2025 (as of 03/31/25)</th></tr><tr><th>Transactions</th><th>Expenditures</th><th>Transactions</th><th>Expenditures</th></tr><tr><td>LERR</td><td>755</td><td>\$3,809,293.27</td><td>431</td><td>\$1,336,256.60</td></tr><tr><td>STARs</td><td>151</td><td>\$ 712,406.33</td><td>116</td><td>\$ 405,851.69</td></tr><tr><td>Total</td><td>906</td><td>\$4,521,699.60</td><td>547</td><td>\$1,742,108.29</td></tr></table> <p>We identified non-eligible LERR and STARs expenditures as summarized in the chart below:</p> <table><tr><th>Program</th><th>Non-Eligible Category</th><th>Number of Transactions</th><th>Amount of Transactions</th></tr><tr><td rowspan="3">LERR</td><td>Operating Expenses</td><td>7</td><td>\$ 18,375.98</td></tr><tr><td>Warranties/Service Agreements</td><td>10</td><td>\$ 92,054.16</td></tr><tr><td></td><td>17</td><td>\$110,430.14</td></tr><tr><td rowspan="3">STARs</td><td>Operating Expenses</td><td>22</td><td>\$ 5,829.96</td></tr><tr><td>Warranties/Service Agreements</td><td>2</td><td>\$ 2,314.95</td></tr><tr><td></td><td>24</td><td>\$ 8,144.91</td></tr></table> <p>Observation Rating: Low</p>	Program	Fiscal Year 2024		Fiscal Year 2025 (as of 03/31/25)		Transactions	Expenditures	Transactions	Expenditures	LERR	755	\$3,809,293.27	431	\$1,336,256.60	STARs	151	\$ 712,406.33	116	\$ 405,851.69	Total	906	\$4,521,699.60	547	\$1,742,108.29	Program	Non-Eligible Category	Number of Transactions	Amount of Transactions	LERR	Operating Expenses	7	\$ 18,375.98	Warranties/Service Agreements	10	\$ 92,054.16		17	\$110,430.14	STARs	Operating Expenses	22	\$ 5,829.96	Warranties/Service Agreements	2	\$ 2,314.95		24	\$ 8,144.91	<p>Recommendation: Management should strengthen procedures for identifying non-eligible LERR & STARs expenditures to help ensure compliance with the guidelines. In addition, management should determine the proper treatment of the non-eligible expenses identified.</p> <p>Management Response: Management will strengthen procedures for monitoring the awarding and expending of program funds to reduce the risk of loss of funding. Management will also identify non-eligible LERR & STARs expenditures and determine the proper treatment of the non-eligible expenses.</p>	Ongoing
Program		Fiscal Year 2024		Fiscal Year 2025 (as of 03/31/25)																																														
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Observation (see ratings at end of the appendix)	Recommendation / Management Response	Status
SP 25-A Surprise Cash Count Report Released 06/30/25		
<p>According to UTS 166, <i>Cash Management and Cash Handling Policy</i>, change funds are, “funds maintained by individual departments authorized to handle cash to be utilized for the sole purpose of carrying on their cashing operation and not for the purpose of obtaining miscellaneous items, paying for minor unanticipated operating expenses, cashing employee checks, or making loans for any reason.”</p> <p>According to University HOP 05-208, <i>Receipts and Deposits</i>, “Both overages and shortages should be noted and tracked by the custodian and then reviewed and certified by a supervisor or department head. Significant amounts (\$25.00 or more) should be immediately reported to the department head and the student business services office.”</p> <p>Observation: While performing our review, we noted the following:</p> <ul style="list-style-type: none"> • The Athletic Ticket Office change fund was utilized inappropriately as defined by UTS 166. • The change fund had a significant overage, which was not appropriately reviewed or reported. <p>Observation Rating: Medium</p>	<p>Recommendation: Athletics should strengthen procedures for change fund transactions and reconciling change fund activity.</p> <p>Management Response: Athletics will strengthen procedures for change fund transactions and reconciling change fund activity.</p>	Ongoing
<p>University HOP 05-208, <i>Receipts and Deposits</i>, states, “Lock combinations and the custody of keys should be maintained by one person... For strictly emergency situations, the department head or other designated employee should have the safe combination or an extra set of keys.”</p> <p>Observation: While performing our review, we noted the safe combination was maintained by one individual; however, no emergency designated employee was identified to access the change fund.</p> <p>Observation Rating: Low</p>	<p>Recommendation: The Planetarium should strengthen procedures to include a designated employee who can access the funds in emergency situations.</p> <p>Management Response: The Planetarium has strengthened procedures to include a designated employee who can access the funds in emergency situations.</p>	Implemented
<p>University HOP 05-208, <i>Receipts and Deposits</i>, states, “Receipts and payment card training is required on an annual basis and should be coordinated through the student business services office.” Custodians are determined as the responsible party for the change</p>	<p>Recommendation: All change fund custodians should complete the required training annually. Student Business Services should maintain documentation of all the appropriate change fund custodians.</p>	Ongoing

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Observation (see ratings at end of the appendix)	Recommendation / Management Response	Status
<p>fund by completion and submission of the change fund form to Student Business Services.</p> <p>Observation: While performing our review, we noted the following:</p> <ul style="list-style-type: none"> • 2 of 13 (15%) change fund custodians were past due for receipts training. • 4 of 13 (31%) change fund custodians were not appropriately documented. <p>Observation Rating: Low</p>	<p>Management Response: Student Business Services will strengthen internal documented procedures to monitor the provisions in HOP 05-208, Receipts and Deposits, including the monitoring of custodians of change funds and required training.</p>	
<p>University HOP 05-208, Receipts and Deposits, and UTS 166, Cash Management and Cash Handling Policy, guide departments in their duties for handling receipts and maintaining change funds. According to University HOP 05-208, "Both overages and shortages should be noted and tracked by the custodian and then reviewed and certified by a supervisor or department head. Significant amounts (\$25.00 or more) should be immediately reported to the department head and the student business services office."</p> <p>Observation: While performing our review, we noted the change fund had a significant overage, which was not appropriately reviewed or reported.</p> <p>Observation Rating: Medium</p>	<p>Recommendation: Student Business Services should strengthen procedures for change fund transactions and reconciling change fund activity.</p> <p>Management Response: Student Business Services will strengthen procedures related to the reconciliation of change fund activity.</p>	Ongoing
<p>University HOP 05-208, Receipts and Deposits, and UTS 166, Cash Management and Cash Handling Policy, guide departments in their duties for handling receipts and maintaining change funds.</p> <p>According to University HOP 05-208, Receipts and Deposits, "When not being used for operational activities, all cash and receipts should be kept in a safekeeping device, either a safe or locked container. Lock combinations and the custody of keys should be maintained by one person. These items should not be stored in an unlocked desk drawer or unsupervised area."</p> <p>According to UTS 166, Cash Management and Cash Handling Policy, change funds are, "funds maintained by individual departments authorized to handle cash to be utilized for the sole purpose of carrying on their cashing operation and not for the purpose of</p>	<p>Recommendation: The Student Center should strengthen procedures and documentation of all change fund activities and strengthen physical controls regarding the storing and safekeeping of the change fund.</p> <p>Management Response: The Student Center will strengthen procedures and documentation for all change fund activities and strengthen physical controls regarding the storage and safekeeping of the change fund, as defined by HOP 05-028 and UTS 166.</p>	Ongoing

STEPHEN F. AUSTIN STATE UNIVERSITY DEPARTMENT OF AUDIT SERVICES
26-200 INTERNAL AUDIT ANNUAL REPORT

Observation (see ratings at end of the appendix)	Recommendation / Management Response	Status
<p>obtaining miscellaneous items, paying for minor unanticipated operating expenses, cashing employee checks, or making loans for any reason.”</p> <p>Observation: While performing our review, we noted the following:</p> <ul style="list-style-type: none"> • The change fund was utilized inappropriately as defined by UTS 166. • The change fund was not stored in the appropriate, designated location, presenting a security risk for the funds. <p>Observation Rating: Medium</p>		

Audit Services uses professional judgment to rate the audit observations identified in audit reports. The audit observation ratings are determined based on the risk or effect of the issues in relation to the audit objective(s), along with other factors. These factors include, but are not limited to, financial impact; potential failure to meet area/program/function objectives; level of compliance with laws, regulations, and other requirements or criteria; adequacy of the design of control activities and information system activities; level of potential fraud, waste, or abuse; control environment; history of audit issues; and other pertinent factors. The table below provides a description of the audit observation ratings used by Audit Services.

Rating	Description
Priority	The audit observation presents risks or issues that if not addressed could critically impact the University as a whole or the area/program/function audited. Immediate action is needed to address the audit observation. Priority observations are reported to the UT System Audit, Compliance, and Risk Management Committee.
High	The audit observation presents risks or issues that if not addressed could substantially impact the University as a whole or the area/program/function audited. Prompt action is needed to address the audit observation and reduce risks to a more desirable level.
Medium	The audit observation presents risks or issues that if not addressed could moderately impact the University as a whole or the area/program/function audited. Action is needed to address the audit observation and reduce risks to a more desirable level.
Low	The audit observation does not present significant risks or issues that could negatively impact the University as a whole or the area/program/function audited. Action is needed to address the audit observation.

Some recommendations made during an audit are considered of minimal risk, and the observations are verbally shared with management during the audit or pre-exit meeting.

Appendix B. Peer Review Report

Stephen F. Austin State University

Quality Assurance Review

June 7, 2022



Department of Audit Services

Jane Ann Bridges, CPA, CIA, Interim Chief Audit Executive
Box 6121, SFA Station
Nacogdoches, Texas 75962
Phone 936-468-5204
Fax 936-468-7698
Email bridgesja1@sfasu.edu



System Internal Audit

THE TEXAS A&M UNIVERSITY SYSTEM

June 7, 2022

Mr. Tom Mason
Board of Regents
Finance and Audit Committee Chair
P.O. Box 13026
Nacogdoches, Texas 75962

Dear Mr. Mason:

I have completed an independent validation of the assertions and conclusions made in the Quality Assurance Review Self-Assessment Report issued by the university's chief audit executive on March 31, 2022. The objective of the validation was to provide reasonable assurance that the internal auditing program conforms with the Texas Internal Auditing Act (Texas Government Code, Chapter 2102), the Institute of Internal Auditors' (IIA) *Code of Ethics and International Standards for the Professional Practice of Internal Auditing*, and U.S. Government Accountability Office Government Auditing Standards. This objective was addressed through interviews of selected stakeholders to the internal audit function; review of documents prepared by the Internal Audit Department (Department); and evaluation of the Department's work products from a sample of audit reports. These activities were performed during April and May 2022.

Based on the information received and evaluated, I agree with the Department's opinion that it **Generally Conforms** with the Texas Internal Auditing Act, the IIA *Code of Ethics and International Standards for the Professional Practice of Internal Auditing*, and U.S. Government Accountability Office Government Auditing Standards in all material respects during the period under review. This opinion, which is the highest of three possible ratings, means that policies, procedures, and practices are in place to implement the standards and requirements necessary for ensuring the independence, objectivity, and proficiency of the internal auditing program. The validation was conducted using the State Agency Internal Audit Forum Peer Review guidelines and Master Peer Review Program as guidance.

The cooperation and assistance provided throughout the course of the review by Internal Audit and the Stephen F. Austin community is greatly appreciated.

Sincerely,

Charlie Hmcir, CPA
Chief Auditor
The Texas A&M University System

cc: Dr. Steve Westbrook, Interim President
Jane Ann Bridges, Interim Chief Audit Executive

Stephen F. Austin State University
Independent Validation of Internal Audit's Quality Assurance Self-Assessment Report

Overall Conclusion

The internal audit function Generally Conforms with the Texas Internal Auditing Act, the IIA Code of Ethics and International Standards for the Professional Practice of Internal Auditing (Standards), and U.S. Government Accountability Office Government Auditing Standards (GAGAS) in all material respects during the period under review. I agree with the results of the self-assessment performed by the Department of Audit Services (Department).

The rating system that was used for expressing an opinion for this review provides for three levels of conformance: generally conforms, partially conforms, and does not conform.

- "Generally Conforms" means that the Department has policies, procedures, and a charter that were judged to be in accordance with the standards, even if opportunities for improvement may exist
- "Partially Conforms" means deficiencies, while they might impair, did not prohibit the Department from carrying out its responsibilities
- "Does Not Conform" means deficiencies in practice were found that were considered so significant as to seriously impair or prohibit the Department from carrying out its responsibilities

The following table lists the specific sections of the IIA Standards, Code of Ethics, and GAGAS and contains my opinion of how the activities of the Department conform to each section:

Standard Type and Description	Opinion
<i>IIA Attribute Standards:</i>	
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
<i>IIA Performance Standards:</i>	
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
<i>The Institute of Internal Auditors' Code of Ethics</i>	Generally Conforms
Generally Accepted Government Auditing Standards	Generally Conforms
Texas Internal Auditing Act	Generally Conforms

Stephen F. Austin State University
Independent Validation of Internal Audit's Quality Assurance Self-Assessment Report

Engagement Overview

Background

Internal audit functions within Texas state agencies, including higher education systems and institutions, are required to conform with:

- The Texas Internal Auditing Act (Texas Government Code, Chapter 2102),
- The Institute of Internal Auditors (IIA) *Code of Ethics and International Standards for the Professional Practice of Internal Auditing*, and
- U.S. Government Accountability Office Generally Accepted Government Auditing Standards (GAGAS).

These standards require internal audit functions to undergo periodic external quality assurance reviews to assess conformance with the standards at least every three years. The Department completed its last external quality assurance review in August 2019.

Objective, Scope, and Methodology

The objective of the validation was to provide reasonable assurance that the internal auditing program conforms to the standards listed above and to appraise the quality of its operations. The scope of the review covered the time period from June 1, 2019, through March 31, 2022.

The objective was accomplished through the following procedures:

- Interviews of selected stakeholders of the internal audit function, including the Board of Regents' Finance and Audit Committee Chair
- Interviews of staff members
- Review of the previous external quality assurance report
- Review of internal audit charter
- Review of the organizational structure and reporting lines of the audit function
- Review of the qualifications and training histories of the audit staff
- Review of the annual risk assessment, audit plan, audit manual, follow-up reports, and other materials prepared by the Department
- Review of the quality assurance and improvement program
- Examination of a sample of the Department's work products and audit reports

These activities were performed during April and May 2022.

Stephen F. Austin State University
Independent Validation of Internal Audit's Quality Assurance Self-Assessment Report

Report Distribution

Steve Westbrook, Interim President
David R. Alders, Regent
Robert Flores, Regent
Karen Gantt, Regent, Chair
Brigettee C. Henderson, Regent
Tom Mason, Regent, Finance and Audit Committee Chair
Judy Olson, Regent
Laura Rectenwald, Regent
Nancy C. Windham, Regent
Jennifer Winston, Regent, Secretary
Spencer Coffey, Student Regent
Jane Ann Bridges, Interim Chief Audit Executive



STEPHEN F. AUSTIN STATE UNIVERSITY

Department of Audit Services

P.O. Box 6121, SFA Station • Nacogdoches, Texas 75962-6121
Phone (936) 468-5204 • Fax (936) 468-7698

March 31, 2022

Mr. Tom Mason
Board of Regents
Finance and Audit Committee Chair
Stephen F. Austin State University
P.O. Box 13026
Nacogdoches, TX 75962

RE: Quality Assurance Review Self-Assessment Report

Dear Regent Mason:

Background

The *Texas Internal Auditing Act* (Texas Government Code Chapter 2102) requires an internal audit function in a State of Texas agency or higher education institution with an annual operating budget greater than \$10 million; more than 100 full time equivalents as authorized by the General Appropriations Act; and receipts of more than \$10 million in cash in a fiscal year. The Texas Internal Auditing Act was effective in 1993; however, SFASU Audit Services was established much earlier in 1976.

The mission of Audit Services is to provide the Board of Regents (BOR) and the President an independent appraisal of the University's system of internal administrative and accounting controls and quality of performance when compared with established standards. The primary objective is to assist the BOR, President, and University management in the effective discharge of their responsibilities and serve as a trusted advisor in the areas of governance, risk management, and internal controls. The responsibilities are outlined in the BOR approved Internal Audit Charter and the BOR Rules and Regulations. The Chief Audit Executive (CAE) reports to the BOR.

Audit Services operates with a CAE, Assistant CAE, two Risk and Compliance Auditors, and a graduate research assistant. Gina Oglesbee has served as CAE since March 1, 2005.

Executive Summary

Audit Services has completed a QAR Self-Assessment of the internal audit function. The principal objective was to assess Audit Services' compliance with the *Texas Internal Auditing Act*; the Institute of Internal Auditors (IIA) *Code of Ethics*; *International Standards for the Professional Practice of Internal Auditing*; and *Generally Accepted Government Auditing*

www.sfasu.edu



Standards in effect at the time the audits were conducted, herein, collectively referred to as “*Standards*”. There are three levels of conformity with the *Standards*: *Generally Conforms*, *Partially Conforms*, and *Does Not Conform*. It is our overall opinion that Audit Services *Generally Conforms* to the *Standards*.

QAR History

Under *Generally Accepted Government Auditing Standards*, an external assessment is required to be performed at least once every three years by a qualified independent reviewer from outside the organization. Audit Services has received an external validation assessment every three years as follows:

Year	Reviewer	Validation Opinion
2004	Toni Messer The University of Texas at Dallas	<i>Generally Conforms</i>
2007	Mike Vandervort The University of Texas at Austin	<i>Generally Conforms</i>
2010	Russell Hoskens University of Houston System	<i>Generally Conforms</i>
2013	Ken Schroeder University of Texas at Arlington and Lou Ann Viergever University of Texas at Tyler	<i>Generally Conforms</i>
2016	Jason Mallory and Tahlia Pena Texas State Technical College	<i>Generally Conforms</i>
2019	Robert Carter Baylor University	<i>Generally Conforms</i>

Scope and Methodology

The scope of the QAR Self-Assessment includes internal audit activities and audits issued from June 1, 2019 through March 31, 2022. Audit Services prepared a Self-Assessment Report along with supporting information. The QAR Self-Assessment was conducted using the State Agency Internal Audit Forum (SAIAF) Peer Review Guidelines and Master Peer Review Program as guidance.

The independent external validation of the QAR Self-Assessment will be conducted between April 1, 2022 and July 24, 2022. The independent external reviewer will review the QAR Self-Assessment Report and supporting information and perform validation procedures.



Opinion as to Conformity with the *Standards*

The rating system used for expressing an opinion for the QAR Self-Assessment provides for three levels of conformance as follows:

- *Generally Conforms* means that Audit Services has policies, procedures, and a charter that were judged to be in accordance with applicable standards; however, opportunities for improvement may exist.
- *Partially Conforms* means deficiencies, while they might impair, did not prohibit Audit Services from carrying out its responsibilities.
- *Does Not Conform* means deficiencies in practice were found that were considered so significant as to seriously impair or prohibit Audit Services in carrying out its responsibilities.

It is our overall opinion that Audit Services *Generally Conforms* to the *Texas Internal Auditing Act*; the *IIA Code of Ethics*; *International Standards for the Professional Practice of Internal Auditing*; and *Generally Accepted Government Auditing Standards* in effect at the time the audits were conducted.

The following table contains the opinion of Audit Services conformity to the *Standards*.

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



Standard Type and Description	Opinion
2600 – Communicating the Acceptance of Risks	Generally Conforms
IIA Code of Ethics	Generally Conforms

Acknowledgements

We look forward to the assistance of Mr. Charlie Hrnclir, CPA, Chief Auditor for Texas A&M University System, in performing the external validation of the QAR Self-Assessment for Audit Services.

We appreciate the support of the Board of Regents, President, Administration, and the SFASU community in performing our duties as the internal auditors for Stephen F. Austin State University.

Sincerely,

A handwritten signature in blue ink, reading 'Gina Oglesbee'.

Gina Oglesbee, CPA, CFE
Chief Audit Executive

A handwritten signature in blue ink, reading 'Jane Ann Bridges'.

Jane Ann Bridges, CPA, CIA
Assistant Chief Audit Executive

cc: Scott Gordon, President
David R. Alders, Regent
Robert Flores, Regent
Karen Gantt, Regent, Chair
Brigettee C. Henderson, Regent
Judy Olson, Regent
Laura Rectenwald, Regent
Nancy C. Windham, Regent
Jennifer Winston, Secretary
Spencer Coffey, Student Regent

Appendix C. Fraud Poster



The poster features a background image of a hand pointing at a tablet displaying the word "INVESTIGATION". The design is split diagonally from the top right to the bottom left. The upper-left portion is dark blue with a network pattern, while the lower-right portion is purple. The Stephen F. Austin State University logo, which includes a map of Texas with "SFA" inside, is located in the purple section.

REPORT FRAUD, WASTE OR ABUSE IN STATE GOVERNMENT

**STEPHEN F. AUSTIN
STATE UNIVERSITY**
NACOGDOCHES, TEXAS

REPORT CONCERNS ANYTIME FROM ANYWHERE

SFA'S REPORTING LINE
EthicsPoint (Navex)
☎ 1.866.294.9539
🌐 ethicspoint.com
🌐 sfasu.edu (Click "Report Fraud" at bottom)

TEXAS STATE AUDITOR'S OFFICE
☎ 1.800.TX.AUDIT (892.8348)
🌐 sao.fraud.texas.gov
📬 State Auditor's Office
Attn: Investigations and Audit Support
P.O. Box 12067
Austin, Texas 78711

**QUESTIONS? Contact SFA's Department of Audit
Services at 936.468.5204.**