Fiscal Year 2011 Audit Plan
The Texas A&M University System
Internal Audit Department
Fiscal Year 2011 Audit Plan

Table of Contents

Introduction 3

- Prairie View A&M University 5
- Tarleton State University 7
- Texas A&M International University 8
- Texas A&M University 9
- Texas A&M University – Central Texas 14
- Texas A&M University – Commerce 15
- Texas A&M University – Corpus Christi 17
- Texas A&M University – Kingsville 19
- Texas A&M University – San Antonio 21
- Texas A&M University – Texarkana 22
- West Texas A&M University 23
- The Texas A&M University System Health Science Center 25
- Texas AgriLife Research 26
- Texas AgriLife Extension Service 27
- Texas Forest Service 29
- Texas Veterinary Medical Diagnostic Laboratory 30
- Texas Engineering Experiment Station 31
- Texas Engineering Extension Service 32
- Texas Transportation Institute 33
- A&M System Offices 34
- System-wide 35
The purpose of the Audit Plan is to outline audits and other activities the System Internal Audit Department will conduct during fiscal year 2011. The Plan is developed to satisfy responsibilities established by the Board of Regents Bylaws, Section 2102.008 of the Government Code, and applicable auditing standards. The Chief Auditor is authorized to make changes to the Plan, as she deems necessary, to address changes in identified risks. The Committee on Audit and the Chancellor will be notified of any significant additions, deletions, or other changes to the Audit Plan.

The types of audits listed in this Plan demonstrate the variety of approaches the System Internal Audit Department takes to address its mission of helping the Texas A&M University System achieve its goals and objectives in an efficient and effective manner. To accomplish this, deliverables for audits may include a variety of services, including audit reports, technical assistance, data analysis, and other written and oral communications.

The Audit Plan includes audits that cover areas related to financial controls and reporting; management controls and reporting; compliance with laws, policies, and regulations; economic and efficient use of resources; achieving results and outcomes (performance measures); technical assistance; and follow-ups.
Audits included in this Plan were primarily identified through a system-wide risk assessment process. However, some of the audits included are performed to assist the A&M System in complying with other external requirements.

Planned audits for fiscal year 2011 are listed on the following pages. Projects approved in the Audit Plan for fiscal year 2010 that are not completed by August 31, 2010, will also be considered part of this Plan.
Review of Financial Management Services

Review the financial and management controls over the University’s financial management services’ operations to determine if resources are used efficiently and effectively; assets are safeguarded; and compliance is achieved with applicable laws, policies, regulations, and University rules. Financial management services include budgeting, receivables and disbursements, accounting and reporting, property management, and payroll.

Review of the Owens-Franklin Health Center

Review and assess the University’s controls and processes over the Owens-Franklin Health Center to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules.
Review of the University’s NCAA Athletic Rules Compliance Program

As required by the NCAA, review and assess the adequacy of the University’s NCAA rules compliance program for selected compliance areas.
Fiscal Year 2011 Audit Plan

Tarleton State University

Review of Information Technology

Review processes and controls over information technology to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules.

Review of Environmental Health, Safety, and Security Operations

Review and assess the University’s controls and processes over campus safety and security to ensure that they provide reasonable assurance that a safe environment exists for students, faculty, and staff. Also, determine that the University is in compliance with laws, policies, regulations, and University rules relevant to campus safety and security.
Fiscal Year 2011 Audit Plan

Texas A&M International University

Review of Human Resources

Review the University’s management processes over human resources to determine if strategic and operational results and outcomes are achieved in an efficient and effective manner. Determine compliance with laws, policies, regulations, and University rules. The University’s salaries, wages, and payroll-related costs were approximately $43.6 million in fiscal year 2009.

Review of Information Technology

Review processes and controls over information technology to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules.
Review of Camps

Review the financial and management controls over selected enrichment camps to determine if resources are used efficiently, effectively, and in compliance with laws, policies, regulations, and University rules.

Review of Payroll

Review the financial and management controls over payroll operations to determine if the University has processes in place to ensure the completeness, integrity and accuracy of wages and salaries paid to staff and faculty, and that the University is in compliance with laws, policies, regulations, and University rules. The University’s salaries, wages and payroll-related expenses were $789 million in fiscal year 2009.
Fiscal Year 2011 Audit Plan

Texas A&M University (cont.)

Review of Physical Plant - Utilities Division

Review the financial and management controls in place in the Physical Plant’s Utilities Division to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules. The Division’s operating budget for fiscal year 2010 was $75 million.

Review of Dining Services

Review the financial and management controls over Dining Services to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules. Dining Services provides a variety of dining options at over 30 facilities including dining halls, food courts, snack bars, and convenience stores, as well as catering services. Total revenues for fiscal year 2009 were approximately $27.3 million.
Fiscal Year 2011 Audit Plan

Texas A&M University (cont.)

Review of Environmental Health & Safety Operations

Review and assess the University’s controls and processes over environmental health and safety operations to ensure that they provide reasonable assurance that a safe environment exists for students, faculty, and staff. Also, determine that the University is in compliance with laws, policies, regulations, and University rules relevant to environmental health and safety.

Review of Service Centers

Review the financial and management controls over service centers to determine if the processes in place ensure the accuracy of rates charged, the delivery of the agreed-upon services, and that resources are used in an effective and efficient manner and in compliance with laws, policies, regulations and University rules.
Fiscal Year 2011 Audit Plan

Texas A&M University (cont.)

Review of the Office of the Provost and Executive Vice President for Academic Affairs

Review and assess the Office of the Provost’s financial and management controls for overseeing the financial activities and performance of the units in the Division of Academic Affairs to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations and University rules.

Review of the Program for Animal Welfare and the Office of Biosafety

Review the activities of the Program for Animal Welfare (PAW) and the Office of Biosafety to determine if the University is in compliance with laws, policies, regulations, and University rules and resources are used efficiently and effectively. PAW is responsible for the oversight, evaluation and assurance of compliance of the University’s animal care and use program related to teaching and research. The Office of Biosafety is responsible for the oversight, evaluation and assurance of compliance of the University’s program related to research involving bio-hazardous materials or recombinant DNA, and for research requiring a CDC import license or USDA permit.
Review of Export Controls

Review export controls at the University to determine if processes are in place to ensure compliance with laws, policies, regulations and University rules.

Review of the Education Research Center

Assess the University’s compliance with all terms and state and federal laws related to the Education Research Center interagency agreement between Texas A&M University, the Texas Higher Education Coordinating Board, and the Texas Education Agency. The agreement is for a period of five years and requires an annual certification of compliance by the University's internal auditor. This will be the second annual certification.
Review of Management Control Processes

Review and assess the management controls over University operations to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules. The University’s total operating budget for fiscal year 2010 is $22.3 million.
Fiscal Year 2011 Audit Plan

Texas A&M University - Commerce

Review of Physical Plant Operations

Review and assess the University’s financial and management controls over Physical Plant operations to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules. The University reported approximately $9.8 million in operations and maintenance of plant expenditures for fiscal year 2009.

Review of Student Organizations & Activities

Review the financial and management controls over student organizations and activities to determine if funds are being collected and used appropriately; goals and objectives are being met in an efficient and effective manner; and determine compliance with laws, policies, regulations, and University rules.
Review of Human Resources

Review the University’s management processes over human resources to determine if strategic and operational results and outcomes are achieved in an efficient and effective manner. Determine compliance with laws, policies, regulations, and University rules. The University’s salaries, wages, and payroll-related costs were approximately $65.4 million in fiscal year 2009.
Review of Environmental Health, Safety, and Security Operations

Review and assess the University’s controls and processes over campus safety and security to ensure that they provide reasonable assurance that a safe environment exists for students, faculty, and staff. Also, determine that the University is in compliance with laws, policies, regulations, and University rules relevant to campus safety and security.

Review of Physical Plant Operations

Review and assess the University’s financial and management controls over Physical Plant operations to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules. The University reported approximately $8.7 million in operations and maintenance of plant expenditures for fiscal year 2009.
Review of Research Administration

Review research administration to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations and University rules. The University had research expenditures totaling approximately $14.4 million in fiscal year 2009.

Review of the University’s NCAA Athletic Rules Compliance Program

As required by the NCAA, review and assess the adequacy of the University’s NCAA rules compliance program for selected compliance areas.
Review of Physical Plant Operations

Review and assess the University’s financial and management controls over Physical Plant operations to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules. The University reported approximately $9.5 million in operations and maintenance of plant expenditures for fiscal year 2009.

Review of Human Resources

Review the University’s management processes over human resources to determine if strategic and operational results and outcomes are achieved in an efficient and effective manner. Determine compliance with laws, policies, regulations, and University rules. The University’s salaries, wages, and payroll-related costs were approximately $74.2 million in fiscal year 2009.
Review of Student Health & Counseling Services

Review and assess the University’s controls and processes over student health and counseling services to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules.

Review of Development Office Operations

Review and assess the University’s controls and processes over selected campus development office operations to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules.
Fiscal Year 2011 Audit Plan

Texas A&M University – San Antonio

No audits are planned for Texas A&M University – San Antonio in fiscal year 2011 based on our risk assessment process.
Review of Human Resources

Review the University’s management processes over human resources to determine if strategic and operational results and outcomes are achieved in an efficient and effective manner. Determine compliance with laws, policies, regulations, and University rules. The University’s salaries, wages, and payroll-related costs were approximately $13 million in fiscal year 2009.

Review of Financial Management Services

Review the financial and management controls over the University’s financial management services’ operations to determine if resources are used efficiently and effectively; assets are safeguarded; and compliance is achieved with applicable laws, policies, regulations and University rules. Financial management services include budgeting, receivables and disbursements, accounting and reporting, property management, and payroll.
Review of Financial Management Services

Review the financial and management controls over the University’s financial management services’ operations to determine if resources are used efficiently and effectively; assets are safeguarded; and compliance is achieved with applicable laws, policies, regulations and University rules. Financial management services include budgeting, receivables and disbursements, accounting and reporting, property management, and payroll.

Review of Human Resources

Review the University’s management processes over human resources to determine if strategic and operational results and outcomes are achieved in an efficient and effective manner. Determine compliance with laws, policies, regulations, and University rules. The University’s salaries, wages, and payroll-related costs were approximately $59 million in fiscal year 2009.
Review of Student Health & Counseling Services

Review and assess the financial and management controls over student health and counseling services to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules.
Review of Plant Operations

Review and assess the financial and management controls over plant operations to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and HSC rules. For fiscal year 2009, the Health Science Center reported approximately $12.7 million in operations and maintenance of plant expenditures.

Review of the Irma Lerma Rangel College of Pharmacy

Review and assess the Rangel College of Pharmacy’s financial and management controls to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations and HSC rules. The College’s operating budget for fiscal year 2010 is approximately $7.6 million.
Review of Infrastructure

Review and assess the financial and management controls related to infrastructure outside of Brazos County to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and Agency rules. Infrastructure includes buildings, grounds, and related support services. AgriLife Research budgeted approximately $3.6 million for infrastructure for fiscal year 2010.

Review of Financial Management Services

Review the financial and management controls over the Agency’s financial management services’ operations to determine if resources are used efficiently and effectively; assets are safeguarded; and compliance is achieved with applicable laws, policies, regulations and Agency rules. Financial management services includes budgeting, receivables and disbursements, accounting and reporting, property management, and payroll.
Review of Infrastructure

Review and assess the financial and management controls related to infrastructure outside of Brazos County to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and Agency rules. Infrastructure includes buildings, grounds, and related support services. AgriLife Extension budgeted approximately $800,000 for infrastructure for fiscal year 2010.

Review of Strategic Planning/Performance Measures

Review and assess the Agency’s strategic planning processes for the development and monitoring of performance measures used by management for decision-making. Determine the extent to which the processes provide for the completeness, integrity and accuracy of data, and operational efficiency and effectiveness.
Review of Financial Management Services

Review the financial and management controls over the Agency’s financial management services’ operations to determine if resources are used efficiently and effectively; assets are safeguarded; and compliance is achieved with applicable laws, policies, regulations and Agency rules. Financial management services includes budgeting, receivables and disbursements, accounting and reporting, property management, and payroll.
No audits are planned for the Texas Forest Service in fiscal year 2011 based on our risk assessment process.
Review of Management Control Processes

Review and assess the management controls over Agency operations to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and Agency rules. The Agency’s total operating budget for fiscal year 2010 is $16 million.
Review of Information Technology

Review processes and controls over information technology to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and Agency rules.

Review of Research Administration

Review the Agency’s processes and controls over research administration to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and Agency rules. The Agency reported $102.8 million in research expenditures for fiscal year 2009.
Review of Strategic Planning/Performance Measures

Review and assess the Agency’s strategic planning processes for the development and monitoring of performance measures used by management for decision-making. Determine the extent to which the processes provide for the completeness, integrity and accuracy of data, and operational efficiency and effectiveness.
Review of Human Resources

Review the Agency’s management processes over human resources to determine if strategic and operational results and outcomes are achieved in an efficient and effective manner. Determine compliance with laws, policies, regulations, and Agency rules. The Agency’s salaries, wages, and payroll-related costs were approximately $40.3 million in fiscal year 2009.

Review of ISO Accreditation

Review the Agency’s proving grounds quality assurance program for ISO 17025 accreditation as required by the American Association for Laboratory Accreditation.
Fiscal Year 2011 Audit Plan

A&M System Offices

Review of Information Technology

Review processes and controls over information technology to determine if resources are used efficiently and effectively and in compliance with laws, policies and regulations.

Review of Financial Reporting

Review the System Office’s financial reporting processes to determine whether internal controls are in place to ensure that information in the Annual Financial Report is accurate and in accordance with statutory reporting requirements, policies, and regulations.

Review of the Office of Technology Commercialization

Review and assess the A&M System’s controls and processes related to the oversight and operations of the Office of Technology Commercialization to determine if resources are used in an efficient and effective manner and in compliance with laws, policies and regulations.
Review of Emergency Notification Processes

Review and assess the A&M System members’ processes for crisis management response and notification to ensure that it provides reasonable assurance that a safe environment exists for students, faculty, and staff. Also, determine that the A&M System members are in compliance with laws, policies, regulations, and rules relevant to crisis management response.

Follow-up Reviews

Conduct follow-up reviews on issues identified in prior audits to determine if management has adequately addressed the issues.
Change in Management Reviews

Conduct reviews of selected financial and management controls, on an as-needed basis, when there is a change in executive management at one of the A&M System members.

Participation with, and/or Assistance to, System Members/External Auditors

This project represents the System Internal Audit Department’s participation with, and/or assistance to, A&M System members and external auditors. The Department’s involvement could range from participating in the design of major information systems, serving as a member of a work group, assisting with the System’s fraud prevention objectives, to testing and reporting on new activities and processes. The Department may perform work to support external audit requirements related to accreditation audits, financial audits, and state and federal compliance audits.