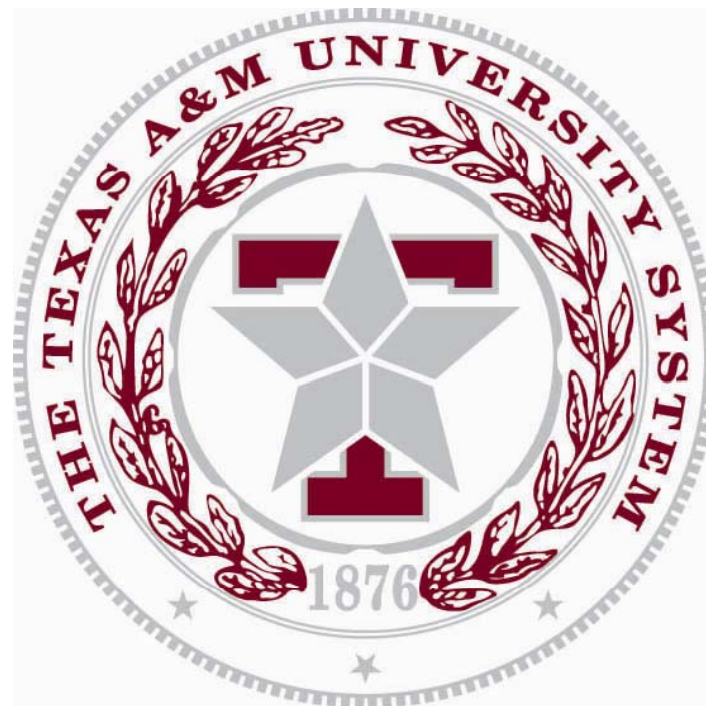


Fiscal Year 2009 Audit Plan

The Texas A&M University System

Internal Audit Department





Fiscal Year 2009 Audit Plan

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Fiscal Year 2009 Audit Plan Texas A&M University System Internal Audit Department

The purpose of the Audit Plan is to outline audits and other activities the System Internal Audit Department will conduct during fiscal year 2009. 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.



Fiscal Year 2009 Audit Plan Texas A&M University System Internal Audit Department (cont.)

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 2009 are listed on the following pages. Projects approved in the Audit Plan for fiscal year 2008 that are not completed by August 31, 2008, will also be considered part of this Plan.



Fiscal Year 2009 Audit Plan

Prairie View A&M University

Review of Environmental Health, Safety, & Security Operations

Review and assess the University's controls and processes over environmental health, safety and security 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 campus safety and security.

Review the Use and Administration of Procurement Cards

Review the financial and management controls over procurement cards at the University to ensure resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules. Procurement cards are designed to reduce data entry and voucher processing for small purchases resulting in more efficient, cost-effective purchasing practices. The University had approximately \$1.8 million in procurement card purchases in fiscal year 2007.



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Prairie View A&M University (cont.)

Review of the University's NCAA Athletic Rules Compliance Program and Financial Statement

Review and assess, as required by the NCAA, the adequacy of the University's NCAA rules compliance program for selected compliance areas. Perform a review of the athletic program's financial statement for the fiscal year ended August 31, 2008, as required by the NCAA.



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Tarleton State University

Review of Student Financial Aid

Evaluate the financial and management controls over the University's student financial aid system to ensure resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules. The University provided students with financial aid totaling more than \$51.9 million in fiscal year 2007.

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 2009 Audit Plan

Texas A&M International University

Review of the University's NCAA Athletic Financial Statement

Perform a review of the athletic program's financial statement for the fiscal year ended August 31, 2008, as required by the NCAA.

Review of Financial Management Services

Evaluate 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 includes budgeting, receivables and disbursements, accounting and reporting, property management and payroll.



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Texas A&M University

Review of Student Affairs Information Technology

Review processes and controls over information technology within Student Affairs to determine if resources are used efficiently and effectively and in 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 interagency agreement between the University, the Texas Higher Education Coordinating Board, and the Texas Education Agency to establish a Research Center at the University. The agreement provided the University with \$1,050,000 in 2007 to create and operate a Research Center for a period of five years and requires an annual certification of compliance by the University's internal auditor.



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Texas A&M University (cont.)

Review of Residence Life

Review the financial and management controls of Residence Life to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules. The Department of Residence Life is responsible for managing and operating campus housing for undergraduate students, graduate students, and conference guests. Total budgeted revenues for fiscal year 2008 are approximately \$40 million.

Review of Faculty Recruitment & Retention

Review and assess the University's processes for the recruitment and retention of faculty. Determine the extent to which the processes are in compliance with applicable laws, policies, regulations, and University rules, to ensure that quality candidates are hired and retained in an effective and efficient manner. Faculty is one of the most significant assets of a higher education institution as well as one of the most significant expenses. The University spent over \$226 million in faculty salaries for fiscal year 2007.



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Texas A&M University (cont.)

Review of University Rules and Procedures

Review and assess the University's processes for the development and evaluation of University rules and standard administrative procedures. Determine whether rules and procedures are clear, concise, communicated to constituents, regularly reviewed, and in compliance with state law. The coordination of the development, review, and approval of University rules and standard administrative procedures is assigned to the Department of University Risk and Compliance.

Review of Student Recruitment, Admissions, and Enrollment Management

Review the University's recruitment, admissions and enrollment management processes. Determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, Higher Education Coordinating Board and University rules. The University enrolled approximately 45,000 students in fall 2007.



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Texas A&M University (cont.)

Review of the University's NCAA Athletic Rules Compliance Program

Review and assess the adequacy of the University's NCAA rules compliance program for selected compliance areas. Texas A&M University has twenty varsity sports (nine men's, eleven women's) which represent approximately six hundred fifty student-athletes.

Review of Athletic Department Administration

Review the financial and management controls of the Athletic Department to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules. The Department manages a nationally competitive intercollegiate athletic program with an annual operating budget of \$65 million for fiscal year 2008.



Fiscal Year 2009 Audit Plan

Texas A&M University (cont.)

Review of Surplus Property

Review and assess the University's controls and processes over surplus property to provide reasonable assurance that it is properly safeguarded and administered in compliance with relevant laws, policies, regulations, and University rules.

Review of Centers and Institutes

Review and assess University controls and processes over selected centers and institutes to determine if these entities are achieving their Board approved goals and purpose in an efficient and effective manner and in compliance with laws, policies, regulations, and University rules.

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Texas A&M University (cont.)

Review of University Crisis Management Response

Review and assess the University's processes for crisis management response to ensure that the processes provide reasonable assurance that the University is able to effectively respond to and recover from major incidents, natural disasters or other emergencies. Also, determine that the University is in compliance with laws, policies, regulations, and University rules relevant to crisis management response.



Fiscal Year 2009 Audit Plan

Texas A&M University - Commerce

Review of Student Financial Aid

Evaluate the financial and management controls over the University's student financial aid system to ensure resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules. The University provided students with financial aid totaling more than \$47.8 million in fiscal year 2007.

Review of Credit Card Data Security

Review and assess controls and processes in place to protect credit card information collected by the University to ensure that such information is adequately secured. The University had 18 registered merchant numbers at the end of fiscal year 2007 and processed approximately 51,000 credit card transactions during the year that are subject to promulgated credit card industry (PCI) standards for information security.



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Texas A&M University – Commerce (cont.)

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.



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Texas A&M University – Corpus Christi

Review of Financial Management Services

Evaluate 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 includes budgeting, receivables and disbursements, accounting and reporting, property management, and payroll.

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 2009 Audit Plan

Texas A&M University – Corpus Christi (cont.)

Review of Credit Card Data Security

Review and assess controls and processes in place to protect credit card information collected by the University to ensure that such information is adequately secured. The University had 17 registered merchant numbers at the end of fiscal year 2007 and processed approximately 31,000 credit card transactions during the year that are subject to promulgated credit card industry (PCI) standards for information security.

Review of the University's NCAA Athletic Rules Compliance Program and Financial Statement

Review and assess, as required by the NCAA, the adequacy of the University's NCAA rules compliance program for selected compliance areas. Perform a review of the athletic program's financial statement for the fiscal year ended August 31, 2008, as required by the NCAA.

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Texas A&M University – Kingsville

Review of Information Technology

Review controls over information technology to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules. Assess the effectiveness and efficiency of the Banner student information system implementation by determining if the objectives of the implementation have been sufficiently met.

Review of Financial Management Services

Evaluate 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 includes budgeting, receivables and disbursements, accounting and reporting, property management and payroll.



Fiscal Year 2009 Audit Plan

Texas A&M University - Texarkana

Review of Student Financial Aid

Evaluate the financial and management controls over the University's student financial aid system to ensure resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules. The University provided students with financial aid totaling more than \$3.9 million in fiscal year 2007.

Review of Student Recruitment, Admissions, and Enrollment Management

Review the University's recruitment, admissions and enrollment management processes. Determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, Higher Education Coordinating Board and University rules. The University enrolled approximately 1,600 students in fall 2007.



Fiscal Year 2009 Audit Plan

West Texas A&M University

Review of Student Financial Aid

Evaluate the financial and management controls over the University's student financial aid system to ensure resources are used efficiently and effectively and in compliance with laws, policies, regulations, and University rules. The University provided students with financial aid totaling more than \$36.4 million in fiscal year 2007.

Review of Environmental Health, Safety, & Security Operations

Review and assess the University's controls and processes over environmental health, safety and security 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 campus safety and security.



Fiscal Year 2009 Audit Plan

West Texas A&M University (cont.)

Review of Credit Card Data Security

Review and assess controls and processes in place to protect credit card information collected by the University to ensure that such information is adequately secured. The University had 13 registered merchant numbers at the end of fiscal year 2007 and processed approximately 55,000 credit card transactions during the year that are subject to promulgated credit card industry (PCI) standards for information security.



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Texas A&M University System Health Science Center

Review of Information Technology

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



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Texas AgriLife Research

Review of Enterprise Risk Management Processes

Determine if the key elements of the Agency's enterprise risk management processes are designed to identify and mitigate risks through the use of a systematic organization-wide approach. The Agency's operating expenses for fiscal year 2007 were approximately \$163 million.

Review of Information Technology

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



Fiscal Year 2009 Audit Plan

Texas AgriLife Extension Service

Review of the Environmental Health & Safety Operations

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

Review of Information Technology

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



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Texas Forest Service

No audits are planned for the Texas Forest Service in fiscal year 2009 based on our risk assessment process.



Fiscal Year 2009 Audit Plan

Texas Veterinary Medical Diagnostic Laboratory

No audits are planned for the Texas Veterinary Medical Diagnostic Laboratory in fiscal year 2009 based on our risk assessment process.



Fiscal Year 2009 Audit Plan

Texas Engineering Experiment Station

Review of Human Resources Processes

Analyze the Agency's management processes for 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 \$58 million in fiscal year 2007.

Review of Centers and Institutes

Review and assess Agency controls and processes over selected centers and institutes to determine if these entities are achieving their Board approved goals and purpose in an efficient and effective manner and in compliance with laws, policies, regulations, and Agency rules.



Fiscal Year 2009 Audit Plan

Texas Engineering Extension Service

Review of Human Resources Processes

Analyze the Agency's management processes for 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 \$43 million in fiscal year 2007.

Review of Financial Management Services

Evaluate 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.



Fiscal Year 2009 Audit Plan

Texas Engineering Extension Service (cont.)

Review of Enterprise Risk Management Processes

Determine if the key elements of the Agency's enterprise risk management processes are designed to identify and mitigate risks through the use of a systematic organization-wide approach. The Agency's operating expenses for fiscal year 2007 were approximately \$77 million.



Fiscal Year 2009 Audit Plan

Texas Transportation Institute

Review of Environmental Health & Safety Operations

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

Review of Research Administration

Review research administration at the Agency to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and Agency rules. The Agency had research expenditures totaling approximately \$39.5 million in fiscal year 2007.



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The Texas A&M University System Offices

Review of Construction

Review of selected construction projects in the North and South zones of the A&M System. Determine that the System is receiving services and projects are managed in compliance with contractual agreements and applicable laws, policies and regulations. Construction projects administered in the North and South zones currently total over \$400 million.



Fiscal Year 2009 Audit Plan

System-Wide

Follow-up Reviews

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

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

This project represents the System Internal Audit Department's (SIAD) participation with, and/or assistance to, A&M System members and external auditors. SIAD'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. SIAD may perform work to support external audit requirements related to accreditation audits, financial audits, Texas Higher Education Coordinating Board program audits, and state and federal compliance audits.