



Office of Audit Services

Annual Audit Plan

For the year ending August 31, 2026



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Formulation of the Annual Audit Plan

Mission Statement

The mission and purpose of the Office of Audit Services is to strengthen Texas Tech University System's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Risk Assessment Process

The Office of Audit Services allocates its resources in a manner that is consistent with the mission and goals of Texas Tech University System and its institutions. In accordance with the Texas Internal Auditing Act (V.T.C.A., Government Code, §2102.005), we have prepared this audit plan based on the results of a formal risk assessment process.

The risk assessment process undertaken was multi-layered. First, the Texas Tech University System and its institutions have implemented an Enterprise Risk Management (ERM) program. In conjunction with this program and through other risk identification processes, management of each institution provided risk information related to strategic goals and operational processes of the institutions.

(Risk Assessment Process continued)

The Office of Audit Services also provided input into the risk assessment process for the institutions of the Texas Tech University System based on individual interviews with senior level officials, institutional knowledge, information from past audit and management advisory engagements, and knowledge of nationwide trends and occurrences in higher education and academic healthcare.

The result of these assessments was the identification of strategic, financial, operational, compliance, environmental, and reputational risks facing each institution. In the development of this annual plan, we considered the most significant risks and included audits and other engagements that could reduce the likelihood or impact of the risks and/or assist in clarifying risks at a more granular level.

Audit standards also require the chief audit executive to inform the board of risks not addressed because of resource constraints. High risks not covered in the fiscal year 2026 annual audit plan fall into these categories: data management, artificial intelligence, emergency preparedness, governance, accreditation, stakeholder relationships, and regulatory compliance. Additional high risks were identified in the general areas of information technology, auxiliary services, and facilities. While related engagements are not part of the FY 2026 Annual Audit Plan, there are other mitigating activities and follow-up engagements that address these risks.

Allocation of Time

Our staff consists of 15 audit professionals. After consideration of estimated time for office administration, holidays, and annual leave, we determined our allocable chargeable time to be approximately 17,385 hours.

Type of Service		Total	% of Total	Description
Risk-Based Engagements				
	Assurance	8,970	51%	Audits of operations and processes to address identified risks
	Management Advisory and Consulting	400	2%	Consulting engagements requested or identified
	Follow-Up	800	5%	Follow-up on management action plans from prior audits
Required Engagements		1,065	6%	Engagements required by statute, external entities, policies, etc.
Investigations		2,500	14%	Hours reserved for investigations, hotline complaints, and special projects
Other Value-Added Work				
	Service to Institutions	1,000	6%	Institutional committees, conducting campus training, etc.
	Service to the Profession	650	4%	Service in professional organizations and on peer review teams
	OAS Operations and Staff Development	2,000	12%	Annual audit plan and report, quality assurance and improvement program, continuing professional education, strategic initiatives
		17,385	100%	



Planned Engagements

Texas Tech University

State Appropriation Funding Compliance
Texas University Fund Compliance
Intercollegiate Athletics
Raider Success Hub Application and Data Security Controls
Cybersecurity Topical Requirement Gap Analysis
College of Media & Communications
NCAA Financial Agreed-Upon Procedures
Red Raider Facilities Foundation, Inc.
Texas Tech Public Media Financial Statements
US PREP Data Use Compliance

Compliance
Compliance
Operational/Compliance
IT Controls
IT Controls
Financial/Controls
Financial (assist)
Financial (assist)
Financial (assist)
Compliance



Planned Engagements

Texas Tech University Health Sciences Center

State Appropriation Funding Compliance
Network Security
School of Medicine at Permian Basin
Cybersecurity Topical Requirement Gap Analysis
Office of Strategic Initiatives
School of Health Professions
Correctional Managed Health Care Contract

Compliance
IT Controls
Financial/Operational
IT Controls
Financial/Operational
Operational/Controls
Compliance



Planned Engagements

Texas Tech University Health Sciences Center El Paso

Student Services and Student Engagement
Clinical Trial Billing Processes
Medical Coding and Billing Processes
Family Medicine Clinical Department

Operational/Controls
Compliance/Controls
Financial/Controls
Operational



Planned Engagements

Angelo State University

Registrar's Office
Cybersecurity Topical Requirement Gap Analysis
Department of Visual & Performing Arts
NCAA Financial Agreed-Upon Procedures
Carr Foundation Financial Statements
ASU Foundation, Inc. Financial Statements

Operational/IT controls
IT Controls
Financial/Controls
Financial (assist)
Financial (assist)
Financial (assist)



Planned Engagements

Midwestern State University

Social Media Processes
Disability Support Services
Campus Safety and Security
Texas Higher Education Coordinating Board Facilities Audit
MSU Foundation, Inc. Financial Statements

Governance
Operational
Management Advisory
Compliance
Financial (assist)



Planned Engagements

Texas Tech University System & Components

Data Analytics Program	Analytics
SB 17 Compliance	Compliance
Banner Enterprise Suite Interfaces/Connections	Governance/IT Controls
Office of Risk Management	Management Advisory
Construction Audits	External Audit
Texas Tech Foundation, Inc. Financial Statements	Financial (assist)
Regents, Chancellor, & Presidents Travel and Other Expenses	Compliance (assist)
CPRIT Grant Funds	Financial/Compliance (assist)
Contracting and Procurement Processes	Compliance
Risk Management Assessment	Risk Management
State and Federal Involuntary Engagements	Miscellaneous (assist)



Nature of Work

The Office of Audit Services evaluates and contributes to the improvement of governance, risk management, and control processes. The nature of the activities is determined by a risk assessment process undertaken annually with the input of senior management and the Board of Regents. Additionally, management advisory engagements may be planned to improve the management of risks, to add value, and to improve operations.

To understand governance processes, the Office of Audit Services considers how Texas Tech:

- Establishes strategic objectives and makes strategic and operational decisions
- Oversees risk management and control processes
- Promotes an ethical culture and values within Texas Tech and its component institutions
- Delivers effective organizational performance management and accountability
- Structures its management and operating functions
- Communicates risk and control information throughout the organization
- Coordinates activities and communications among our office, the Board of Regents, external auditors, other assurance providers, and management

(Nature of Work continued)

To understand risk management and control processes, the Office of Audit Services considers how Texas Tech identifies and assesses significant risks and selects appropriate control processes. This includes understanding how Texas Tech identifies and manages the following key risk areas:

- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations and programs
- Safeguarding of assets
- Compliance with laws, regulations, policies, procedures, and contracts

During the planning phase of each engagement, we determine the scope of work to be performed based on a unit-level assessment of risk. For most engagements, we will conduct an entrance conference and/or provide an engagement letter in order to communicate the scope and objectives of our audit to the management personnel involved.



Audit Process

Audit and management advisory engagements are performed in three general phases: planning, fieldwork & review, and reporting. The illustration on the following page documents the procedures generally employed in the performance of an engagement.

Planning

- Select engagement team
- Perform engagement risk assessment with input from the client, management, and audit team members
- Develop audit scope and objectives
- Document anticipated deliverables
- Prepare audit program
- Hold entrance conference with client to communicate audit plans



Fieldwork & Review

- Develop and perform detailed testing
- Document and evaluate processes and controls
- Interview client staff members
- Perform other audit procedures to meet audit objectives
- Review work papers for completeness and accuracy
- Evaluate audit evidence and develop conclusions
- Communicate with client on an ongoing basis



Reporting

- Document strengths and opportunities for improvement
- Communicate with client management regarding audit results
- Develop recommendations
- Prepare draft report
- Obtain management's plan of action to address issues
- Issue final report
- Evaluate audit performance
- Follow up on implementation of action plans



Accountability

Quality Assurance Program

The Office of Audit Services has instituted a broad internal and external quality assurance program as required by internal audit standards to ensure continuous improvement. We evaluate the quality of our services by:

- Completing a self-assessment questionnaire at the end of each engagement.
- Measuring performance against predetermined benchmarks that encourage excellence.
- Surveying clients regarding their level of satisfaction with the services we have provided.
- Completing an annual assessment of our quality assurance program as required by our standards.
- Completing a periodic self-evaluation of the office's operations to gauge compliance with internal audit standards.
- Participating in a periodic assessment by external peer review teams comprised of experienced higher education audit professionals.

Performance Measures

The staff members of the Office of Audit Services developed goals to encourage excellence and promote accountability. To measure the achievement of those goals, we developed a series of performance measures. Progress is analyzed quarterly related to overall goals by reviewing the achievement of the following performance measures:

- Complete engagements outlined in the annual audit plan to achieve broad coverage of identified risks.
- Achieve superior client satisfaction.
- Achieve internally and externally imposed engagement deadlines.
- Complete required continuing professional education (CPE) training hours.



TEXAS TECH UNIVERSITY SYSTEM™