

# **Cancer Prevention and Research Institute of Texas**

Fiscal Year 2023 Annual Internal Audit Report  
August 31, 2023

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## I. Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit information on Internet Web site

Texas Government Code, Section 2102.015 requires state agencies and higher education institutions, as defined in the statute, to post their Internal Audit Plan, Internal Audit Annual Report, and other audit information on the Internet.

The Cancer Prevention and Research Institute of Texas (CPRIT or the agency) will post this report which includes the Fiscal Year 2023 Internal Audit Plan on its website at [www.cprit.texas.gov](http://www.cprit.texas.gov). CPRIT's Oversight Committee reviewed and approved the Annual Internal Audit Report as part of their regular meeting held on November 15, 2023. In accordance with Texas Government Code, Section 2102.015, CPRIT will post this report on its website within 30 days of the Oversight Committee's approval.

The table in Section II below provides a detailed summary of the weaknesses, deficiencies, wrongdoings or other concerns raised by performance of the audit plan and the actions taken by the agency to address any of those issues identified.

## II. Internal Audit Plan for Fiscal Year 2023

The internal audits planned and performed for fiscal year 2023 were selected to address the agency's highest risk areas, based on the risk assessment update conducted in 2023, which included input from CPRIT management. The audits conducted during fiscal year 2022 are listed below.

Internal Audit	Report Date	Current Status
Purchasing Compliance	September 22, 2023	This audit is complete. Follow-up Procedures to address the one finding are included in the FY 2024 Internal Audit Plan.
IT General Controls	September 18, 2023	This audit is complete. Follow-up Procedures to address the audit findings are included in the FY 2024 Internal Audit Plan.
Information Security Follow-Up	September 18, 2023	Follow-up procedures were completed as part of the IT General Controls audit.
Communications Follow-Up	August 7, 2023	This follow-up is complete. Follow-up procedures to address the one remaining open finding are included in the FY 2024 Internal Audit Plan.
Vendor Contract Compliance Follow-Up	August 15, 2023	This audit is complete. All findings have been remediated.

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## III. Consulting Services and Non-audit Services Completed

Weaver, as the agency's Internal Auditor, provided audit consulting services in three areas, as defined in the Institute of Internal Audit Auditors' International Standards for the Professional Practice of Internal Auditing. The area, the report date and status of those services are provided in the table below.

Audit Advisory	Report Date	Current Status
Contract Risk Assessment Advisory	April 11, 2023	This audit advisory engagement is complete.  Advisory procedures are complete. The procedures included developing a contract risk assessment process and developing a contract risk assessment matrix in compliance with state requirements for CPRIT's Management to adopt and implement.
Post-Award Compliance Program Advisory	September 12, 2023	This audit advisory engagement is complete.  The advisory procedures are complete. The procedures included recommendations for updating CPRIT's risk assessment of grant recipients and grant compliance monitoring protocols.
Disaster Recovery and Business Continuity Planning Advisory Follow-Up	July 31, 2023	This audit advisory engagement is complete.  All open recommendations were implemented by CPRIT.

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#### IV. External Quality Assurance Review

In accordance with professional standards, and to meet the requirements of the Texas Internal Auditing Act, Internal Audit is required to undergo an external quality assurance review at least once every three years. Weaver's review was issued in September 2022.



#### Report on Firm's System of Quality Control

September 19, 2022

To the Partners of Weaver & Tidwell, L.L.P.  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Weaver & Tidwell, L.L.P. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

#### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA, and examinations of service organizations [SOC 1 and SOC 2 engagements].)

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

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### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Weaver & Tidwell, L.L.P. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Weaver & Tidwell, L.L.P. has received a peer review rating of *pass*.



Eide Bailly LLP

### V. Internal Audit Plan for Fiscal Year 2024

The Internal Audit Plan was submitted to the Audit Subcommittee of the CPRIT Oversight Committee. The Audit Subcommittee approved the plan on November 6, 2023, and the Oversight Committee subsequently approved the plan on November 15, 2023. Below is the Fiscal Year 2024 Internal Audit Plan submitted to the agency's Oversight Committee based on the results of the 2023 Internal Audit Risk Assessment Update. The approved internal audit plan was submitted to the State Auditor's Office upon approval from CPRIT's Oversight Committee.

Fiscal Year 2024 Internal Audit Plan		
Audit Area	2023 Risk Rating	Estimated Hours
Internal Agency Compliance	High	220
Oversight Committee Reporting	Moderate	280
Records Management Advisory	Moderate	250

Planned follow-up procedures for fiscal year 2024 to verify and communicate with Management the remediation efforts of prior Internal Audit Recommendations.

Fiscal Year 2024 Follow-up Procedures		
Audit Area	2022 Risk Rating	Estimated Hours
Purchasing Compliance	Low	30
Communications	High	30
IT General Controls Follow-up	High	180

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As part of the risk assessment, CPRIT assesses the probability and impact of the following risk categories across all significant activities of the agency, which include the information technology risks and considerations related to Title 1, Texas Administrative Code, Chapter 202:

- financial and fraud risk
- operations, complexity, and human capital risk
- information technology risk
- regulatory compliance and public policy risk, and
- reputational risk

Taking into consideration the input from the CPRIT management, all significant activities are assigned a risk score for probability and impact related to each risk category. The overall risk rating (High, Moderate or Low) is assigned to each significant activity based on the activity's average risk rating.

The internal audit plan is developed by considering risk ratings for each significant activity and prioritizing "High" risk activities.

The 2023 Internal Audit Risk Assessment Update resulted in 10 Significant Activities rated as "High" risk. Seven of the 10 Significant Activities are not included in the Fiscal Year 2024 Internal Audit Plan. Those activities are as follows:

1. Pre-Award Grant Management
2. Post-Award Grant Monitoring
3. Information Security
4. Commodity and Service Contracts
5. Procurement and P-Cards
6. Disaster Recovery and Business Continuity Planning
7. Governance

## VI. External Audit Services Procured in FY 2023

CPRIT engaged McConnell & Jones, LLP, a certified public accounting and consulting firm, as their external auditors for FY 2023.

## VII. Reporting Suspected Fraud, Waste and Abuse

- CPRIT contracts with Red Flag Reporting to provide a confidential hotline for reporting fraud, waste and abuse. The agency has posted a link on its home page at [www.cprit.texas.gov](http://www.cprit.texas.gov) and also has a dedicated page to fraud prevention and reporting on its website at <https://www.cprit.texas.gov/about-us/fraud-reporting>.
- The CPRIT Chief Compliance Officer is the designated staff member within the agency to receive written or verbal allegations of suspected fraud, waste, and abuse. The Chief Compliance Officer has the authority to examine and investigate those allegations and turn over information of verified instances of fraud, waste, or abuse to the State Auditor's Office.