Cancer Prevention and Research Institute of Texas

Fiscal Year 2025 Annual Internal Audit Report

August 31, 2025

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C O N T E N T S

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August 31, 2025

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 2026 Internal Audit Plan on its website at www.cprit.texas.gov. CPRIT's Oversight Committee reviewed and approved the Annual Internal Audit Report as part of their regular meeting held on August 20, 2025.

In accordance with the 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 2025

The internal audits planned and performed for fiscal year 2025 were selected to address the agency's open internal audit findings and significant processes that have not been previously audited. The audits conducted during fiscal year 2025 are listed below.

Internal Audit Title and Number	Report Date	Current Status
2025-01 Post-Award Grant Monitoring	April 25, 2025	The audit is complete. Follow-up Procedures to address the open findings are included in the FY 2026 Internal Audit Plan.
2025-03 Non-Grant Expenditures	April 25, 2025	The audit is complete. Follow-up Procedures to address the open findings are included in the FY 2026 Internal Audit Plan.
2025-04 Communications Follow-Up	June 12, 2025	The audit is complete. All findings have been remediated.
2025-05 IT General Controls Follow-Up	June 12, 2025	The audit is complete. All findings have been remediated.

III. Consulting Services and Non-audit Services Completed

Weaver, as the agency's Internal Auditor, provided audit consulting services in one area, as defined in the Institute of Internal Auditor's 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
2025-02 Procurement and P-Cards Advisory	April 25, 2025	The audit advisory engagement is complete.

IV. External Audit Services Procured in FY 2025

CPRIT engaged Crowe, LLP. a certified public accounting and consulting firm, as their external auditors for FY 2025.

V. 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 performed in September 2022.

EideBailly
CPAs & BUSINESS ADVISORS

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. 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.

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

Eide Bailly LLP

VI. Internal Audit Plan

The Internal Audit Plan was submitted to the Audit Subcommittee of the CPRIT Oversight Committee. The Audit Subcommittee approved the plan on August 20, 2025, and the Oversight Committee subsequently approved the plan on August 20, 2025. Below is the Fiscal Year 2026 Internal Audit Plan submitted to the agency's Oversight Committee based on the results of the 2025 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 2026 Internal Audit Plan		
Audit Area	**2025 Risk Rating**	**Estimated Hours**
Information Security	**High**	230
Intellectual Property Compliance (as part of the Revenue and Post-Award Grant Monitoring significant activities)	**High**	230
SAO State Efficiency Audit Readiness Assessment (as part of the State Reporting and Governance significant activities)	**High**	220

Planned follow-up procedures for fiscal year 2026 to verify and communicate with Management the remediation efforts of prior Internal Audit Recommendations.

Fiscal Year 2026 Internal Audit Plan		
Audit Area	**2025 Risk Rating**	**Estimated Hours**
Post Award Grant Monitoring	**High**	40
Non-Grant Expenditures	**Moderate**	40
P-Card Advisory	**NA**	15

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 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 2025 Internal Audit Risk Assessment Update resulted in 9 Significant Activities as "High" risk. Six of the nine Significant Activities are not included in the Fiscal Year 2026 Internal Audit Plan. Those activities are as follows:

1. Pre-Award Grant Management
2. Commodity and Service Contracts
3. Procurement and P-Cards
4. Disaster Recovery and Business Continuity Planning
5. Information Technology General Computer Controls
6. Internal Agency Compliance

In preparation of the audit plan for fiscal year 2026, we included follow-up procedures on non-grant expenditures and intellectual property compliance as part of CPRIT's procedures to monitor compliance and controls for agency contracts.

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 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.