



Annual Audit Plan Report Fiscal Year 2025

Prepared By:
Shannon Williams
Chief Audit Executive

Approved By:
Port Commission, and
Audit Committee of the Port Commission



DATE: March 6, 2025

TO: Audit Committee of Port of Houston Authority
Port Commission of Port of Houston Authority

FROM: Shannon Williams, Chief Audit Executive

SUBJECT: 2025 – Annual Audit Plan for Port of Houston Authority

Attached is the fiscal year 2025 Audit Plan (“the plan”) for the Port of Houston authority (PHA). This plan was presented at the January 28th Audit Committee meeting for your review and consideration and later approved by the Port Commission of Port of Houston Authority February 19th, 2025. The plan consists of a variety of performance/operational reviews, compliance audits, policy & procedure assessments, integrated internal control reviews, and unplanned management requests. Also included is the capacity and consideration for special investigations, prior engagement monitoring, audit support projects, and the outsourcing of specialized technical skills, when needed.

A risk-based approach was utilized in developing the plan. Risk considerations included standard risk categories, prior audit results and plans, current entity projects, entity operating results, and input from entity-wide leadership and non-leadership resources, in addition to audit staff knowledge and experience. The plan was designed to address risk areas or areas with limited audit history while realistically managing the scope of work we can accomplish with the staffing resources available.

The plan was developed, reviewed, and approved in compliance with Section 5007.226(e) of the Texas Special District Local Laws Code, the Port Commission Charter, and related auditing professional standards.

If you have questions or need clarification, please contact the Internal Audit Department.

Respectfully submitted,

/s/ Shannon Williams
Chief Audit Executive

cc: PHA Audit Committee, Ric Campo, Chair
Charlie Jenkins, Chief Executive Officer
Tom Heidt, Chief Operating Officer
Tim Finely, Chief Financial Officer



Port of Houston Authority
Internal Audit Division
2025 Audit Plan
 As approved on February 19th, 2025

Engagement Type	Engagement Description	Area of Focus
Compliance	Environmental - ISO 14001 Internal	Engagements that are mandated either by the organization, a regulatory entity, or industry standard. The engagement consist of a comprehensive review of the organization's adherence to regulatory, industry, and/or professional standard guidelines. These engagements occur at least annually and are consistently monitored for compliance throughout the assesment year.
Compliance	Security - ISO 28000 Internal	
Compliance	Code of Ethics Compliance	
Compliance	FCPA & OFAC Review	
Compliance	Promotion & Development	
Performance	IT Inventory Management Review	
Internal Control Evaluation	Supplier Diversity and Inclusion Metrics Review	To verify the metrics used for tracking supplier diversity and compliance with supplier diversity requirements.
Internal Control Evaluation	Procurement - Workflow Review	To verify the timekeeping process and assess the controls and safeguards over timekeeping including overtime, sick leave, temporary special pay increases, and personal leave.
Internal Control Evaluation	Payroll - Timekeeping Management Process Review	To verify the timekeeping process and assess the controls and safeguards over timekeeping including overtime, sick leave, temporary special pay increases, and personal leave.
Internal Control Evaluation	Real Estate - Lease Contract Review	To verify the lease process and ensure lease agreements and related records are compliant with the contractual obligations and internal policies.
Performance	Self Insured Medical Plan Review	To review the process for managing, recording, and reporting under the self-insured medical plan. IAD will review the plan for compliance with applicable policies and procedures.
Performance	System and Organization Controls (SOC) Management and Reporting Review	To review the efficiency and adequacy of the process(es) used to monitor third party companies controls that are in place to help ensure the Security, Availability, Processing Integrity, Confidentiality and Privacy of contracted data.
Performance	Utility Cost Recovery Audit	To determine the accuarcy and completeness of utility billing and payments in accordance with contract terms and applicable laws.
Performance	Grant Funding & Compliance / Grant Draws / Capital Project Financing	To evaluate the effectiveness and efficiency of departmental grant and project management; To evaluate compliance with grant and project requirements.
Performance	Policy Compliance and Management Review (internal, federal and state laws)	To verify the process for managaing particular areas of administration and operation and evaluate the effectiveness and adequacy of internal control and compliance with appropriate regulations.
Compliance	Quality Assurance and Improvement Program (QAIP) Assessment (Internal)	This engagement is the evaluation of the Internal Audit Department in compliance with conformance with the International Internal Auditing standards.
Compliance	Prior Engagement Follow-up and Validations	To determine the implementation status of prior audit findings, recommendations, and agreed upon remediation plans.
Compliance	Special Investigations	As requested by the Port Commission or Audit Committee, the Executive Leadership, Management and/or as requested by the Chief Auditor.
Compliance	Ad-hoc Request	Engagements requested by the Port Commission or Audit Committee, the Executive Leadership and/or as requested by the Management to address a sudden, unplanned concern or issue that needs immediate attention, not scheduled on the audit plan.