



PORT HOUSTON™

Annual Audit Plan Report Fiscal Year 2026

Prepared By:
Shannon Williams
Chief Audit Executive

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



MEMO

DATE: March 9th, 2026

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

FROM: Shannon Williams, Chief Audit Executive

SUBJECT: 2026 – Annual Audit Plan for Port of Houston Authority

Attached is the fiscal year 2026 Audit Plan (“the plan”) for the Port of Houston authority (PHA). This plan was presented at the January 27th Audit Committee meeting for your review and consideration and later approved by the Port Commission of Port of Houston Authority February 19th, 2026. 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 is a flexible commitment and may be revised during the year with guidance and input from the Audit Committee, input from Port Authority staff based on audit results and findings, and consideration of internal control procedures and assessment of high-risk areas.

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

Shannon Williams, Chief Audit Executive

cc: PHA Audit Committee, Ric Campo, Chair
Charlie Jenkins, Executive Director
Eric Casey, Chief Operating Officer
Tim Finely, Chief Financial Officer



PORT HOUSTON

**Port of Houston Authority
Internal Audit Division
2026 Audit Plan
As approved on February 19, 2026**

Engagement Type	Engagement Description	Area of Focus
Compliance	Environmental Compliance Audits	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 consistly monitored for compliance throughout the assesement year.
Compliance	PSEO Security Audits	
Compliance	Code of Ethics, FCPA, & OFAC Compliance Re	
Compliance	Promotion & Development	
Performance	IT Inventory Management Review	
Performance	Travel, Meals, and Entertainment	
Performance	Contract Compliance - Construction Projects	To verify the construction process and ensure construction project agreements and related records are compliant with the contractual obligations and internal policies.
Performance	Nexgen ERP Post-Implementation Audit	To review the process for completing the Nexgen ERP system and ensuring that the ERP system meets the intended business needs and complies with established internal control procedures.
Performance	Fleet Management Review	To verify the process for managaing PHA assests and evaluate the effectiveness and adequacy of internal control and compliance with appropriate regulations.
Performance	Maritime Revenue - Wharfage, Harbor, and Barge Fees	To determine the accuarcy and completeness of maritime port charges in accordance with contract terms and applicable laws.
Internal Control Evaluation Review	Disaster Recovery and Business Continuity Pla	To review the organization's DRP and BCP plans to ensure the existence and effectiveness of key internal controls, are in-place for critical IT systems and business functions.
Internal Control Evaluation Review	Overtime Process Review	To review the organization's process for determining overtime justification, the accuracy of overtime calculations, and a review of controls over granting, approving, and monitoring of overtime hours.
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.