

TEXAS STATE TECHNICAL COLLEGE
STATEWIDE OPERATING STANDARD

No. GA 1.14	Page 1 of 3	Effective Date: 10/11/2018
DIVISION:	General Administration	
SUBJECT:	Audits and Reviews by External Auditors	
AUTHORITY:	Minute Order #50-06	
PROPOSED BY:	Jason Mallory	
TITLE:	Director of Audits	Date: 10/11/2018
RECOMMENDED BY:	Jason Mallory	
TITLE:	Director of Audits	Date: 10/11/2018
APPROVED BY:	Mike Reeser	
TITLE:	Chancellor	Date: 10/11/2018

STATUS: Approved by LT 10/11/2018

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Reviewed/Revised 04/2015
Approved by BOR 04/28/06 MO#50-06
Approved by MC 03/24/06
Proposed 01/12/06

I. STATEWIDE STANDARD

POLICY: It is the policy of Texas State Technical College (TSTC) that the College report audit and review engagements, both involuntary engagements and those initiated by TSTC personnel, to related College departments and to the Internal Audit Department. Further, material findings of examinations by regulatory agencies or auditors are to be reported through the Internal Audit Department to the Audit Committee of the Board of Regents (BOR).

II. PERTINENT INFORMATION

The College periodically is the subject of audits or reviews performed by the State Auditor’s Office, the State Comptroller of Public Accounts, the Legislative Budget Board, other state or federal agencies, or external auditors engaged by those agencies. Such engagements not initiated within TSTC are referred to as involuntary

engagements. The College also acts to engage external auditors for audits or reviews from time to time.

III. GENERAL GUIDELINES

The Internal Audit Department must be notified by administrators and managers of all audits conducted by someone other than the Internal Audit Department and must be forwarded copies of all reports.

Prior to hiring any external auditor, the State Auditor's Office must approve the engagement. Coordination of that approval shall be made through the Director of Audits.

IV. DEFINITIONS

None Applicable

V. DELEGATION OF AUTHORITY

The Chancellor has the authority and responsibility to ensure compliance with provisions of this statewide standard and delegates this authority to the Vice Chancellors for adherence and uniform implementation.

VI. PERFORMANCE STANDARDS

1. All audits are reported to the Internal Audit Department.
2. This statewide standard is reviewed on an annual basis and revised as needed.

APPENDIX

VII. RELATED STATEWIDE STANDARDS. LEGAL CITATIONS, OR SUPPORTING DOCUMENTS

[Texas Government Code, Title 10, Subtitle C, Chapter 2102](#)

[Texas Government Code, Title 3, Subtitle C, Chapter 321](#)

VIII. OPERATING REQUIREMENTS

Coordination and Communication for Involuntary Audits or Reviews

- a. When an administrator is notified of a planned or expected audit or review by a state or federal agency, regulatory body, or other external auditor, the Internal Audit Department must be notified.
- b. The Director of Audits, along with the appropriate level of administration, shall determine the level of involvement of the Internal Audit Department. A member of the department may attend the entrance and/or exit conferences for the engagement. The Internal Audit Department may also be involved in coordination, gathering data, assisting with fieldwork, and/or reviewing management responses.

Coordination and Communication for Audits or Reviews Initiated by the College

- a. Texas Government Code 321.013, Powers and Duties of State Auditor, requires that the State Auditor give prior approval for the engagement of any external auditor. The Director of Audits shall assist administrators with obtaining such approval.
- b. To initiate the approval process, the administrator shall provide the Director of Audits with the request for qualifications (RFQ) for the engagement. The Director of Audits shall then request approval for the engagement from the State Auditor's Office.
- c. When the State Auditor has responded to the request, the Director of Audits shall communicate the results of the request to the administrator.

Reporting

When a final written report is issued to the College as the result of any type of engagement described above, a copy shall be provided to the Internal Audit Department. They shall ensure immediate communication of the results of the engagements to the Chancellor and the Audit Committee of the BOR.