HSCEP OP: 04.02, Audits and Reviews by External Auditors

PURPOSE: This Texas Tech University Health Sciences Center El Paso Operating Policy and Procedure (HSCEP OP) sets forth the procedures for communication among university departments and the Office of Audit Services (OAS) related to audits and reviews by external auditors.

REVIEW: This HSCEP OP will be reviewed in March of each even-numbered year (ENY) by the chief audit executive of the Texas Tech University System (TTU System), with substantive revisions forwarded to the president.

POLICY/PROCEDURE:

The university 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 TTU System will be referred to as involuntary engagements. The university also acts to engage external auditors for audits or reviews from time to time. This HSCEP OP establishes policy for communication among university departments and the OAS related to involuntary engagements, as well as those initiated by university personnel.

I. 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 TTU System chief audit executive should be notified.

B. The TTU System chief audit executive, along with the appropriate level of administration, will determine the level of involvement of the OAS. At a minimum, a member of OAS may attend the entrance and/or exit conferences for the engagement. The OAS may also be involved in coordination, gathering data, assisting with fieldwork, and/or reviewing management responses.

II. Coordination and Communication for External Audits or Reviews Initiated by TTU System

A. V.T.C.A. Government Code §321.020, Coordination of Certain Audits, requires that the state auditor give prior approval for the engagement of any external auditor. The TTU System chief audit executive will assist university administrators with obtaining such approval.

B. To initiate the approval process, the administrator should provide the TTU System chief audit executive with details of the audit work needed and/or the request for qualifications (RFQ) or request for proposals (RFP) for the engagement. The TTU System chief audit executive will then request approval for the engagement from the State Auditor’s Office.

C. When the state auditor has responded to the request, the TTU System chief audit executive will communicate the results of the request to the administrator.
D. The TTU System chief audit executive will lead the selection process to engage external auditors.

III. When a final written report is issued to the university as the result of any type of engagement described above, a copy should be provided to the OAS. The TTU System chief audit executive will ensure appropriate communication of the results of engagements to the president, the chancellor, and the Audit Committee of the TTU Board of Regents.