



Angelo State University
Operating Policy and Procedure

OP 22.02: Audits and Reviews by External Auditors

DATE: April 19, 2016

PURPOSE: This Operating Policy and/or Procedure (OP) sets forth the procedures for communication among university departments and the Office of Audit Services related to audits and reviews by external auditors.

REVIEW: This OP will be reviewed in March of even-numbered years by the chief audit executive for the Texas Tech University System (TTUS) with recommended revisions forwarded to the president by April 15 of the same year.

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 Angelo State University will be referred to as involuntary engagements. The university also acts to engage external auditors for audits or reviews from time to time. This OP establishes policy for communication among university departments and the Office of Audit Services (OAS) related to involuntary engagements as well as those initiated by university personnel.

1. 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 audit director at Angelo State University and/or the TTUS chief audit executive (CAE) should be notified.
- b. The TTUS CAE, along with the appropriate level of administration, will determine the level of involvement of the Office of Audit Services. At a minimum, a member of OAS may attend the entrance and/or exit conferences for the engagement. OAS may also be involved in coordination, gathering data, assisting with fieldwork, and/or reviewing management responses.
- c. Draft and final reports should be submitted to the TTUS CAE for review. The CAE will review proposed management responses to address reported issues prior to submission of responses to the external auditor.

2. Coordination and Communication for Audits or Reviews Initiated by the University

- 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 TTUS CAE will assist university administrators with obtaining such approval.

[Minor revision: April 19, 2016]

- b. To initiate the approval process, the administrator should provide the CAE with the request for qualifications (RFQ) or Request for Proposals (RFP) for the engagement. The CAE will then request approval for the engagement from the State Auditor's Office.
 - c. When the state auditor has responded to the request, the TTUS CAE will communicate the results of the request to the administrator.
 - d. The TTUS CAE will lead the selection process to engage external auditors.
3. 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 Office of Audit Services. The TTUS CAE will ensure communication of the results of the engagements to the president, the chancellor, and the Audit Committee of the Board of Regents.