



The Delegation of Authority to State Entities to Contract for External Audit Services

February 6, 2017

Members of the Legislative Audit Committee:

To provide you with more information regarding the amount of audit work being performed related to state government, the State Auditor's Office has compiled the following data on delegations of authority to contract for audit services. State agencies and higher education institutions (state entities) must request approval from the State Auditor's Office to contract for audit-related services. The State Auditor's Office is responsible for reviewing and approving state entities' delegation of authority requests in accordance with Texas Government Code, Section 321.020 (see text box). From September 1, 2015, through August 31, 2016, the State Auditor's Office received and approved 108 delegation of authority requests from 61 state entities.

Some delegations of authority covered more than one project, the majority of which were for financial or internal audit services. The 108 delegation of authority requests included 147 projects with an estimated total cost of approximately \$53.9 million, as reported by the state entities in their delegation of authority requests.

Auditors classified the projects into the following three categories:

Financial audits: Financial audits included (1) financial statement opinion audits for which the primary purpose was to provide an opinion on whether an auditee's financial statements were presented fairly in all material aspects in conformity with generally accepted accounting principles and (2) financial-related audits that could entail various scopes of work.

Internal audit services: Contracted internal audit services were associated with state entities that did not have an internal audit department but were required to have an internal audit function under Texas Government Code, Section 2102.004 (see text box for more information about the requirement to have an internal audit function). In those instances, a state entity requested the authority to outsource the internal audit function. This category also included

Delegation of Authority for Audit Services

Texas Government Code, Section 321.020, specifies that a state agency or a corporation that is dedicated to the benefit of a state agency may enter into a contract for audit services only if (1) the agency or corporation is authorized to contract with a private auditor through a delegation of authority from the State Auditor, (2) the scope of the proposed audit has been submitted to the State Auditor for review and comment, and (3) the services of the private auditor are procured through a competitive selection process in a manner allowed by law.

Additionally, Section 6.20, page IX-35, the General Appropriations Act (84th Legislature), provides requirements for state agencies and higher education institutions that use appropriated funds to contract for audit services, including a requirement to obtain a delegation of authority to enter into such a contract.

Internal Audit Function

According to Texas Government Code, Section 2102.004, a state entity is required to have an internal audit function if it:

- Has an annual operating budget that exceeds \$10 million;
- Has more than 100 full-time equivalent employees as authorized by the General Appropriations Act; or
- Receives and processes more than \$10 million in cash in a fiscal year.

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requests from state entities that had an internal audit department but may not have had the required resources or required expertise to perform a particular audit.

Other services: Other services included performance and compliance audits. They also included other engagements, such as attestation engagements (mostly client and auditor agreed-upon procedures engagements).

Of the 147 projects included in the 108 delegation of authority requests reviewed, 71 (48.3 percent) were for financial audits, 29 (19.7 percent) were for internal audit services, and 47 (32.0 percent) were for other services.

In addition, 9 state entities accounted for 80 (54.4 percent) of the 147 requested projects. Table 1 lists those 9 state entities.

Objective, Scope, and Methodology

The objective of this project was to analyze and summarize information regarding the delegation of authority to state entities to contract for external audit services. The project scope included delegations of authority requests from September 1, 2015, through August 31, 2016. This project relied on state entities' self-reported information regarding requested services and estimated costs. That information was not subject to the tests and confirmations that would be performed in an audit. Auditors used professional judgement to determine the three categories in which to classify a project. The following members of the State Auditor's staff performed the project:

- Jeffrey D. Criminger (Project Manager)
- Jennifer Grant, MPA
- Julia Youssefnia, CPA
- George D. Eure, CPA (Quality Control Reviewer)
- Michael Stiernberg, JD (Audit Manager)

Table 1

Nine State Entities With the Most Projects Requested Under Delegation of Authority Requests From September 1, 2015, through August 31, 2016	
State Entity	Number of Projects
The University of Texas System	30
Health and Human Services Commission	13
General Land Office	10
Texas A&M University	6
Treasury Safekeeping Trust Company	5
Prairie View A&M University	4
Texas Lottery Commission	4
University of North Texas System	4
The University of Texas at Austin	4

Source: State entities' self-reported information in delegation of authority requests submitted to the State Auditor's Office.

Sincerely,

Lisa R. Collier, CPA, CFE, CIDA
 First Assistant State Auditor

Attachment

cc: The Honorable Greg Abbott, Governor



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Attachment

Delegations of Authority for Requests to Procure Services in Fiscal Year 2016

Table 2 lists the approved delegations of authority that 61 entities requested between September 1, 2015, and August 31, 2016. It lists the project type, the contractor to provide the outsourced services, and the requesting entity's estimated cost of the services to be provided as reported in its delegation request.

Table 2

Delegations of Authority Requested in Fiscal Year 2016			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Article I - General Government			
306 - Library and Archives Commission			
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	Garza/Gonzalez & Associates	\$ 50,575
Library and Archives Commission - Total			\$50,575
307 - Office of the Secretary of State			
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	Jansen & Gregorczyk, CPAs	\$ 55,610
Office of the Secretary of State - Total			\$55,610
313 - Department of Information Resources			
Audit of Texas National Information Consortium USA, LLC Financial Statements for the Year Ended December 31, 2015	Financial Audits	Horne, LLP	\$ 50,000
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	McConnell & Jones LLP	50,000
Internal Audit Services Related to Department of Information Resources Governance Assessment	Internal Audit Services	Weaver and Tidwell LLP	90,000
Department of Information Resources - Total			\$190,000
403 - Veterans Commission			
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	Jansen & Gregorczyk, CPAs	\$ 44,960
Veterans Commission - Total			\$44,960
477 - Commission on State Emergency Communications			
Internal Audit Services for Fiscal Year 2017	Internal Audit Services	Jansen & Gregorczyk, CPAs	\$ 35,000
Commission on State Emergency Communications - Total			\$35,000

Delegations of Authority Requested in Fiscal Year 2016			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
542 - Cancer Prevention and Research Institute of Texas			
Audit of Financial Statements for the Year Ended August 31, 2016	Financial Audits	McConnell & Jones LLP	\$ 39,750
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	Weaver and Tidwell LLP	232,500
Cancer Prevention and Research Institute of Texas - Total			\$272,250
808 - Historical Commission			
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	McConnell & Jones LLP	\$ 79,240
Historical Commission - Total			\$79,240
Article I - Total			\$727,635
Article II - Health and Human Services			
529 - Health and Human Services Commission			
Agreed-upon Procedures on Electronic Health Records Incentive Payments - Fiscal Year 2016	Other Services	DK Partners	\$ 646,102
Agreed-upon Procedures on Medicaid and Children's Health Insurance Program (CHIP) Managed Care Financial Statistical Reports	Other Services	DK Partners Myers and Stauffer LC	4,000,000
Agreed-upon Procedures on Medicaid Patient Transportation Services Provided by the Medical Transportation Program	Other Services	DK Partners	1,073,613
Audit of Financial Data Submitted by the Texas Integrated Eligibility Redesign System Data Center Services Contractor	Other Services	Myers and Stauffer LC	125,854
Audit Services Related to the Document Processing Services Performed by Image API for Eligibility Support Services, CHIP, and Enrollment Broker	Other Services	Myers and Stauffer LC	115,000
Disproportionate Share Hospital Program Audits for Program Years 2013 through 2015 and Final Uncompensated Care Reconciliations	Other Services	Myers and Stauffer LC	2,500,000
Performance Audits of Managed Care Organizations - Varying Date Ranges	Other Services	DK Partners Myers and Stauffer LC	4,775,000
Recovery Audit of Payments Made by the State of Texas to Medicaid-enrolled Providers for Fiscal Year 2016	Other Services	Health Management Systems, Inc.	1 ^a
Retrospective Cost Settlement Audits of the Eligibility Support Services Program, CHIP, and Enrollment Broker	Other Services	DK Partners	650,000
Retrospective Cost Settlement Audit (NorthgateArinso, Inc.) for the Periods Covering May 1, 2013, through April 20, 2015	Other Services	Myers and Stauffer LC	114,329
Retrospective Medicaid Cost Settlement Audits of the Medicaid Claims Primary Care Case Management, Pharmacy Claims, and Rebate Administration Contracts	Other Services	DK Partners	199,193
Statement of Standards for Attestation Engagements No. 16, Type II Audit of Xerox State Healthcare LLC Related to Vendor Drug Program Pharmacy Claims and Rebate Administration Services and Agreed-upon Procedures on Health Insurance Portability and Accountability Act Compliance	Other Services	Myers and Stauffer LC	218,247
Texas Delivery System Reform Incentive Payments Program Project Validation Monitoring	Other Services	Myers and Stauffer LC	6,500,000
Health and Human Services Commission - Total			\$20,917,339

Delegations of Authority Requested in Fiscal Year 2016			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
537 - Department of State Health Services			
Agreed-upon Procedures on Department Grants Received from the Cancer Prevention and Research Institute of Texas for the Years Ended August 31, 2013; August 31, 2014; and August 31, 2015	Other Services	Weaver and Tidwell LLP	\$ 100,000
Department of State Health Services - Total			\$100,000
Article II - Total			\$21,017,339
Article III - Education			
323 - Teacher Retirement System			
Audit of Health Plan Claims for TRS-Care and TRS-Active Care for Fiscal Year 2015 through Fiscal Year 2018	Other Services	Truven Health Analytics, Inc.	\$ 731,750
Audit of Non-TRS Workers On-boarding and Off-boarding Processes	Internal Audit Services	Myers and Stauffer LC	39,518
Audit of the Teacher Retirement Investment Company of Texas, Ltd. Financial Statements for the Year Ended August 31, 2016	Financial Audits	Grant Thornton LLP	50,000
Teacher Retirement System - Total			\$821,268
556 - Texas A&M AgriLife Research			
Agreed-upon Procedures on Grants Received from the Cancer Prevention and Research Institute of Texas for the Year Ended August 31, 2015	Other Services	Ingram, Wallis & Co., P.C.	\$ 5,500
Texas A&M AgriLife Research - Total			\$5,500
709 - Texas A&M University System Health Science Center			
Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2015	Financial Audits	Ingram, Wallis & Co., P.C.	\$ 20,000
Texas A&M University System Health Science Center - Total			\$20,000
711 - Texas A&M University			
Agreed-upon Procedures on the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2015	Other Services	PricewaterhouseCoopers LLP	\$ 55,000
Agreed-upon Procedures on the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2016	Other Services	PricewaterhouseCoopers LLP	50,000
Audit of Passenger Facility Charge Revenue and Disbursement Schedule - Cash Basis of Texas A&M University Easterwood Airport for the Year Ended August 31, 2015. This delegation authority request also included:	Financial Audits	Ingram, Wallis & Co., P.C.	70,000
▪ Agreed-upon Procedures on University Grants Received from the Cancer Prevention and Research Institute of Texas for the Year Ended August 31, 2015	Other Services	Ingram, Wallis & Co., P.C.	
▪ Audit of KAMU-FM and KAMU-TV Financial Statements for the Year Ended August 31, 2015	Financial Audits	Ingram, Wallis & Co., P.C.	
▪ Examination of Compliance with Joint Admissions Medical Program Agreement Requirements and Expenditure Guidelines	Other Services	BKD, LLP	
Texas A&M University - Total			\$175,000

Delegations of Authority Requested in Fiscal Year 2016			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
714 - The University of Texas at Arlington			
Agreed-upon Procedures on University Grants Received from the Cancer Prevention and Research Institute of Texas for the Year Ended August 31, 2015	Other Services	Weaver and Tidwell LLP	\$ 9,500
The University of Texas at Arlington - Total			\$9,500
715 - Prairie View A&M University			
Agreed-upon Procedures on the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2015	Other Services	PricewaterhouseCoopers LLP	\$ 35,000
Agreed-upon Procedures on the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2016	Other Services	PricewaterhouseCoopers LLP	35,000
Audit of KPVI-FM Radio Station Financial Statements for the Year Ended August 31, 2015	Financial Audits	Ingram, Wallis & Co., P.C.	9,400
Audit of KPVI-FM Radio Station Financial Statements for the Year Ended August 31, 2016	Financial Audits	Ingram, Wallis & Co., P.C.	9,400
Prairie View A&M University - Total			\$88,800
717 - Texas Southern University			
Audit of Financial Statements for the Year Ended August 31, 2016	Financial Audits	Whitley Penn LLP	\$ 77,300
Texas Southern University - Total			\$77,300
720 - The University of Texas System			
Audit of Financial Statements for the University of Texas - Pan American for the Year Ended August 31, 2015	Financial Audits	Deloitte & Touche LLP	\$ 119,600
Audit of Financial Statements for the University of Texas at Brownsville for the Year Ended August 31, 2015. That delegation authority request also included:	Financial Audits	Deloitte & Touche LLP	539,200
▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2015, at the University of Texas at Arlington	Financial Audits	Deloitte & Touche LLP	
▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2015, at the University of Texas at Austin	Financial Audits	Deloitte & Touche LLP	
▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2015, at the University of Texas at Dallas	Financial Audits	Deloitte & Touche LLP	
▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2015, at the University of Texas at El Paso	Financial Audits	Deloitte & Touche LLP	
▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2015, at the University of Texas at San Antonio	Financial Audits	Deloitte & Touche LLP	
▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2015, at the University of Texas Health Science Center at Houston	Financial Audits	Deloitte & Touche LLP	

Delegations of Authority Requested in Fiscal Year 2016

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
<ul style="list-style-type: none"> ▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2015, at the University of Texas Health Science Center at San Antonio 	Financial Audits	Deloitte & Touche LLP	
<ul style="list-style-type: none"> ▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2015, at the University of Texas M.D. Anderson Cancer Center 	Financial Audits	Deloitte & Touche LLP	
<ul style="list-style-type: none"> ▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2015, at the University of Texas Medical Branch at Galveston 	Financial Audits	Deloitte & Touche LLP	
<p>Audit of the University of Texas System Consolidated Financial Statements for the Year Ended August 31, 2016. That delegation authority request also included:</p>	Financial Audits	Deloitte & Touche LLP	3,532,138
<ul style="list-style-type: none"> ▪ Audit of the Financial Statements of the General Endowment Fund of the University of Texas Investment Management Company for the Year Ended August 31, 2016 	Financial Audits	Deloitte & Touche LLP	
<ul style="list-style-type: none"> ▪ Audit of the Financial Statements of the Intermediate Term Fund of the University of Texas Investment Management Company for the Year Ended August 31, 2016 	Financial Audits	Deloitte & Touche LLP	
<ul style="list-style-type: none"> ▪ Audit of the Financial Statements of the Long Term Fund of the University of Texas Investment Management Company for the Year Ended August 31, 2016 	Financial Audits	Deloitte & Touche LLP	
<ul style="list-style-type: none"> ▪ Audit of the Financial Statements of the Permanent Health Fund of the University of Texas Investment Management Company for the Year Ended August 31, 2016 	Financial Audits	Deloitte & Touche LLP	
<ul style="list-style-type: none"> ▪ Audit of the Financial Statements of the Permanent University Fund of the University of Texas Investment Management Company for the Year Ended August 31, 2016 	Financial Audits	Deloitte & Touche LLP	
<ul style="list-style-type: none"> ▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2016, at the University of Texas at Austin 	Financial Audits	Deloitte & Touche LLP	
<ul style="list-style-type: none"> ▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2016, at the University of Texas Health Science Center at Houston 	Financial Audits	Deloitte & Touche LLP	
<ul style="list-style-type: none"> ▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2016, at the University of Texas Health Science Center at San Antonio 	Financial Audits	Deloitte & Touche LLP	
<ul style="list-style-type: none"> ▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2016, at the University of Texas Health Science Center - Tyler 	Financial Audits	Deloitte & Touche LLP	
<ul style="list-style-type: none"> ▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2016, at the University of Texas M.D. Anderson Cancer Center 	Financial Audits	Deloitte & Touche LLP	
<ul style="list-style-type: none"> ▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2016, at the University of Texas Medical Branch at Galveston 	Financial Audits	Deloitte & Touche LLP	

Delegations of Authority Requested in Fiscal Year 2016			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
▪ Audit of the University of Texas at Austin Financial Statements for the Year Ended August 31, 2016	Financial Audits	Deloitte & Touche LLP	
▪ Audit of the University of Texas M.D. Anderson Cancer Center Financial Statements for the Year Ended August 31, 2016	Financial Audits	Deloitte & Touche LLP	
▪ Audit of the University of Texas Medical Branch at Galveston Financial Statements for the Year Ended August 31, 2016	Financial Audits	Deloitte & Touche LLP	
▪ Audit of the University of Texas Southwestern Medical Center Financial Statements for the Year Ended August 31, 2016	Financial Audits	Deloitte & Touche LLP	
▪ Review of the Statement of Net Position of the University of Texas at Arlington for the Year Ended August 31, 2016, as Required by the Southern Association of Colleges and Schools Commission on Colleges	Other Services	Deloitte & Touche LLP	
Audit of the University of Texas Investment Management Company Financial Statements for the Year Ended August 31, 2016	Financial Audits	Deloitte & Touche LLP	40,500
Contract Compliance Review and Accounts Payable Audit Recovery Services	Other Services	BSI Healthcare Audit Services LLC	3,000,000
The University of Texas System - Total			\$7,231,438
721 - The University of Texas at Austin			
Agreed-upon Procedures on the University's Intercollegiate Athletic Program's Statement of Revenues and Expenses for the Year Ended August 31, 2015, in Accordance with the National Collegiate Athletic Association	Other Services	Maxwell, Locke & Ritter LLP	\$ 38,500
Audit of KUT Radio Station Financial Statements for the Year Ended August 31, 2015	Financial Audits	Gindler, Chappell, Morrison & Co., P.C.	11,300
Audit of the University Charter School Financial Statements for the Year Ended August 31, 2015	Financial Audits	West, Davis & Company, LLP	15,000
Audit of the University of Texas Elementary School Financial Statements for the Year Ended August 31, 2015	Financial Audits	Belt Harris Pechacek, LLLP	11,429
The University of Texas at Austin - Total			\$76,229
724 - The University of Texas at El Paso			
Audit of KTEP-FM Radio Station Financial Statements for the Year Ended August 31, 2015	Financial Audits	Stockton Scurry & Smith Certified Public Accountants, P.C.	\$ 16,500
The University of Texas at El Paso - Total			\$16,500
729 - The University of Texas Southwestern Medical Center			
Agreed-upon Procedures on University Grants Received from the Cancer Prevention and Research Institute of Texas for the Year Ended August 31, 2015	Other Services	Weaver and Tidwell LLP	\$ 16,000
Internal Audit Services Related to Employee Compensation	Internal Audit Services	Ernst & Young LLP	63,800
The University of Texas Southwestern Medical Center - Total			\$79,800
732 - Texas A&M University - Kingsville			
Agreed-upon Procedures on the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2015	Other Services	PricewaterhouseCoopers LLP	\$ 19,500
Texas A&M University - Kingsville - Total			\$19,500

Delegations of Authority Requested in Fiscal Year 2016			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
734 - Lamar University			
Agreed-upon Procedures on the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2015. This delegation of authority request also included:	Other Services	Weaver and Tidwell LLP	\$ 30,000
▪ Audit of KVLU-FM Radio Station Financial Statements for the Year Ended August 31, 2015	Financial Audits	Wathen, DeShong & Juncker, L.L.P.	
Lamar University - Total			\$30,000
735 - Midwestern State University			
Agreed-upon Procedures Related to the Liquidation of the Federal Perkins Loan Program	Other Services	Edgin, Parkman, Fleming & Fleming, PC	\$ 5,000
Information Technology Auditing Services Related to Title 1, Texas Administrative Code, Chapter 202	Internal Audit Services	Myers and Stauffer LC	30,934
Midwestern State University - Total			\$35,934
737 - Angelo State University			
Audit of the Angelo State University Foundation Financial Statements for the Year Ended August 31, 2015	Financial Audits	Armstrong, Backus & Co., LLP	\$ 20,000
Angelo State University - Total			\$20,000
743- The University of Texas at San Antonio			
Agreed-upon Procedures on University Grants Received from the Cancer Prevention and Research Institute of Texas for the Year Ended August 31, 2015	Other Services	Weaver and Tidwell LLP	\$ 10,000
The University of Texas at San Antonio - Total			\$10,000
744 - The University of Texas Health Science Center at Houston			
Audit of the University of Texas System Medical Foundation Financial Statements for the Year Ended August 31, 2015	Financial Audits	Blazek & Vetterling, CPAs	\$ 15,000
Audit of the U.T. Physicians Financial Statements for the Year Ended August 31, 2016	Financial Audits	Blazek & Vetterling, CPAs	40,000
The University of Texas Health Science Center at Houston - Total			\$55,000
750 - The University of Texas at Tyler			
Audit of the University of Texas at Tyler Innovation Academy Financial Statements for the Year Ended August 31, 2016	Financial Audits	Belt Harris Pechacek, LLLP	\$ 11,000
The University of Texas at Tyler - Total			\$11,000
751 - Texas A&M University - Commerce			
Agreed-upon Procedures on the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2015	Other Services	PricewaterhouseCoopers LLP	\$ 19,500
Texas A&M University - Commerce - Total			\$19,500
752 - University of North Texas			
Agreed-upon Procedures on the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2015	Other Services	Merki & Associates, P.C.	\$ 5,000
University of North Texas - Total			\$5,000

Delegations of Authority Requested in Fiscal Year 2016			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
753 - Sam Houston State University			
Agreed-upon Procedures on the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2015	Other Services	Bickley, Prescott & Co.	\$ 3,600
Sam Houston State University - Total			\$3,600
755 - Stephen F. Austin State University			
Agreed-upon Procedures on the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2016	Other Services	Goff & Herrington, P.C.	\$ 4,850
Audit of the Stephen F. Austin Charter School Financial Statements for the Year Ended August 31, 2016	Financial Audits	Goff & Herrington, P.C.	7,350
Stephen F. Austin State University - Total			\$12,200
756 - Sul Ross State University			
Agreed-upon Procedures Related to Student Financial Aid Follow-up Work	Other Services	Deloitte & Touche LLP	\$ 40,000
Sul Ross State University - Total			\$40,000
757 - West Texas A&M University			
Agreed-upon Procedures on the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2015	Other Services	Inter-Collegiate Athletic Consulting	\$ 4,675
West Texas A&M University - Total			\$4,675
758 - Texas State University System			
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	Deloitte & Touche LLP	\$ 200,000
Texas State University System - Total			\$200,000
760 - Texas A&M University - Corpus Christi			
Agreed-upon Procedures on the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2016	Other Services	Weaver and Tidwell LLP	\$ 25,000
Texas A&M University - Corpus Christi - Total			\$25,000
768 - Texas Tech University System			
Construction Auditing Services	Internal Audit Services	CBIZ - Risk & Advisory Services, LLC RSM US, LLP	\$ 200,000
Texas Tech University System - Total			\$200,000
769 - University of North Texas System			
Audit of Financial Statements for the Year Ended August 31, 2015	Financial Audits	Grant Thornton LLP	\$ 375,000
Internal Audit Services for Fiscal Year 2016. This delegation of authority request also included:	Internal Audit Services	PricewaterhouseCoopers LLP	250,000
▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2015	Financial Audits	BKD, LLP	

Delegations of Authority Requested in Fiscal Year 2016			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Additional Internal Audit Services for Fiscal Year 2016	Internal Audit Services	PricewaterhouseCoopers LLP	122,500
University of North Texas System - Total			\$747,500
772 - School for the Deaf			
Internal Audit Services for Fiscal Year 2016 and Fiscal Year 2017	Internal Audit Services	Garza/Gonzalez & Associates	\$ 22,000
School for the Deaf - Total			\$22,000
774 - Texas Tech University Health Science Center at El Paso			
Audit of Financial Statements for the Year Ended August 31, 2016, and August 31, 2017	Financial Audits	Belt Harris Pechacek, LLP	\$ 300,000
Texas Tech University Health Science Center at El Paso - Total			\$300,000
781 - Higher Education Coordinating Board			
Audit of Financial Statements for the Year Ended August 31, 2015	Financial Audits	KPMG LLP	\$ 158,400
Audit of Financial Statements for the Year Ended August 31, 2016	Financial Audits	KPMG LLP	175,000
Higher Education Coordinating Board - Total			\$333,400
783 - University of Houston System			
Construction Auditing Services	Other Services	Commercial Cost Control Inc. Fort Hill Associates LLC	\$ 150,000
Information Technology Auditing Services for Fiscal Year 2016	Internal Audit Services	Schneider Downs & Co., Inc.	150,000
Information Technology Auditing Services for Fiscal Year 2017	Internal Audit Services	Schneider Downs & Co., Inc.	300,000
University of Houston System - Total			\$600,000
785 - The University of Texas Health Science Center at Tyler			
Audit of East Texas Quality Care Network, Inc. Financial Statements for the Year Ended August 31, 2016	Financial Audits	CliftonLarsonAllen LLP	\$ 8,800
The University of Texas Health Science Center at Tyler - Total			\$8,800
Article III - Total			\$11,304,444
Article V - Public Safety and Criminal Justice			
401 - Military Department			
Internal Audit Services for Fiscal Year 2017	Internal Audit Services	McConnell & Jones LLP	\$ 146,110
Military Department - Total			\$146,110

Delegations of Authority Requested in Fiscal Year 2016			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
405 - Department of Public Safety			
Accreditation Assessment and Inspection Services Related to the Department's Crime Laboratories	Other Services	ANSI-ASQ National Accreditation Board	\$ 317,500
Audit of Federal Emergency Management Public Assistance Grants for Fiscal Year 2017	Other Services	Cohn Reznick, LLP Ernst & Young, LLP Grant Thornton LLP Horne, LLP	16,500,000
Department of Public Safety - Total			\$16,817,500
696 - Department of Criminal Justice			
Audit of Compliance with the Prison Rape Elimination Act	Other Services	American Correctional Association	\$ 465,280
Department of Criminal Justice - Total			\$465,280
Article V - Total			\$17,428,890
Article VI - Natural Resources			
305 - General Land Office			
Audit of the Financial Statements for Galveston Preserve at West Beach, LTD as of December 31, 2014. This delegation of authority request also included:	Financial Audits	Weaver and Tidwell LLP	\$ 38,000
▪ Audit of the Financial Statements for Galveston Preserve at West Beach, LTD as of December 31, 2015	Financial Audits	Weaver and Tidwell LLP	
Audit of the Financial Statements for Grand Parkway 1358, L.P. as of December 31, 2014. This delegation of authority request also included:	Financial Audits	Weaver and Tidwell LLP	38,000
▪ Audit of the Financial Statements for Grand Parkway 1358, L.P. as of December 31, 2015	Financial Audits	Weaver and Tidwell LLP	
Audit of the Financial Statements for Imperial Johnson, LLC as of December 31, 2014. This delegation of authority request also included:	Financial Audits	Weaver and Tidwell LLP	38,000
▪ Audit of the Financial Statements for Imperial Johnson, LLC as of December 31, 2015	Financial Audits	Weaver and Tidwell LLP	
Audit of the Financial Statements for RS New Braunfels, LTD for the Fiscal Year 2014. This delegation of authority request also included:	Financial Audits	Weaver and Tidwell LLP	38,000
▪ Audit of the Financial Statements for RS New Braunfels, LTD for the Fiscal Year 2015	Financial Audits	Weaver and Tidwell LLP	
Co-sourced Investment Audit Services	Other Services	Investment Training and Consulting Institute, Inc.	100,000
Information Technology Auditing Services Related to the Grant Management System Used for the Community Development and Revitalization Program	Other Services	Weaver and Tidwell LLP	100,000
General Land Office - Total			\$352,000
554 - Animal Health Commission			
Internal Audit Services for Fiscal Year 2017	Internal Audit Services	Monday Rufus & Co., PC	\$ 47,740
Animal Health Commission - Total			\$47,740

Delegations of Authority Requested in Fiscal Year 2016			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
592 - Soil and Water Conservation Board			
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	Jansen & Gregorczyk, CPAs	\$ 24,000
Soil and Water Conservation Board - Total			\$24,000
Article VI - Total			\$423,740
Article VII - Business and Economic Development			
362 - Texas Lottery Commission			
Agreed-upon Procedures on the Verification and Certification of Lottery Drawings for Fiscal Year 2017	Other Services	Davila, Buschhorn & Associates, P.C.	\$ 1,041,736
Audit of Financial Statements for the Year Ended August 31, 2016	Financial Audits	Weaver and Tidwell LLP	75,000
Comprehensive Study and Evaluation of Lottery Security for Fiscal Year 2015 and Fiscal Year 2016	Other Services	Berry Dunn McNeil & Parker, LLC	300,000
Internal Audit Services for Fiscal Year 2017	Internal Audit Services	McConnell & Jones LLP	300,000
Texas Lottery Commission - Total			\$1,716,736
601 - Department of Transportation			
Audit of Financial Statements for the Year Ended August 31, 2016, of the Department of Transportation, the Texas Mobility Fund, the Central Texas Turnpike, and the Grand Parkway Transportation Corporation	Financial Audits	Crowe Horwath LLP	\$ 650,000
Department of Transportation - Total			\$650,000
Article VII - Total			\$2,366,736
Article VIII - Regulatory			
312 - State Securities Board			
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	Monday Rufus & Co., PC	\$ 25,000
State Securities Board - Total			\$25,000
360 - State Office of Administrative Hearings			
Internal Audit Services for Fiscal Year 2017	Internal Audit Services	Garza/Gonzalez & Associates	\$ 23,480
State Office of Administrative Hearings - Total			\$23,480
473 - Public Utility Commission of Texas			
Audit of the Texas Universal Service Fund's Financial Statements for the Year Ended August 31, 2015. This delegation of authority request also included:	Financial Audits	Hurlburt, CPA	\$ 54,000
▪ Statement of Standards for Attestation Engagements Report on the Description of System, Suitability of Design, and Operating Effectiveness of Controls for the Year Ended August 31, 2015	Other Services	Hurlburt, CPA	
Public Utility Commission of Texas - Total			\$54,000

Delegations of Authority Requested in Fiscal Year 2016			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
476 - Racing Commission			
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	Monday Rufus & Co., PC	\$ 10,000
Racing Commission - Total			\$10,000
503 - Texas Medical Board			
Internal Audit Services for Fiscal Year 2016 and Fiscal Year 2017	Internal Audit Services	Garza/Gonzalez & Associates	\$ 48,600
Texas Medical Board - Total			\$48,600
Article VIII - Total			\$161,080
Other State Entities ^b			
014 - Texas A&M Research Foundation			
Audit of Financial Statements for the Year Ended August 31, 2016	Financial Audits	Ingram, Wallis & Co., P.C.	\$ 60,000
Texas A&M Research Foundation - Total			\$60,000
315 - Office of the Comptroller of Public Accounts - Prepaid Higher Education Tuition Board			
Audits of the Prepaid Tuition and College Savings Plans Financial Statements for Fiscal Year Ended August 31, 2016	Financial Audits	Padgett, Stratemann & Co., L.L.P.	\$ 55,000
Office of the Comptroller of Public Accounts - Prepaid Higher Education Tuition Board - Total			\$55,000
329 - Real Estate Commission			
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	Garza/Gonzalez & Associates	\$ 30,700
Real Estate Commission - Total			\$30,700
449 - Finance Commission of Texas ^c			
Internal Audit Services for Fiscal Year 2017	Internal Audit Services	Garza/Gonzalez & Associates	\$ 64,930
Finance Commission of Texas - Total			\$64,930
460 - Board of Professional Engineers			
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	Monday Rufus & Co., PC	\$ 8,500
Board of Professional Engineers - Total			\$8,500
930 - Treasury Safekeeping Trust Company			
An Audit of the Texas Treasury Safekeeping Trust Company Financial Statements for the Year Ended August 31, 2016. This delegation of authority request also included:	Financial Audits	Padgett, Stratemann & Co., L.L.P.	\$ 225,000
▪ An Audit of the State Water Implementation Fund for Texas Financial Statements for the Year Ended August 31, 2016	Financial Audits	Padgett, Stratemann & Co., L.L.P.	
▪ An Audit of the Texas Local Government Investment Pool Financial Statements for the Year Ended August 31, 2016	Financial Audits	Padgett, Stratemann & Co., L.L.P.	
▪ An Audit of the Texas Local Government Investment Pool Prime Financial Statements for the Year Ended August 31, 2016	Financial Audits	Padgett, Stratemann & Co., L.L.P.	

Delegations of Authority Requested in Fiscal Year 2016			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
<ul style="list-style-type: none"> ▪ An Audit of the Tobacco Settlement Permanent Trust Fund Financial Statements for the Year Ended December 31, 2016 	Financial Audits	Padgett, Stratemann & Co., L.L.P.	
Treasury Safekeeping Trust Company - Total			\$225,000
Other State Entities - Total			\$444,130
Delegations of Authority Estimated Cost for Fiscal Year 2016 - Total			\$53,873,994
<p>^a The \$1 state entity estimated cost does not reflect the actual estimated cost. Instead, this contract is a contingency fee agreement and the contractor is paid based on the amount of recoveries identified.</p> <p>^b Other state entities are entities that are not included in the General Appropriations Act.</p> <p>^c The Finance Commission of Texas is responsible for overseeing and coordinating the activities of the Department of Banking, the Department of Savings and Mortgage Lending, and the Office of Consumer Credit Commissioner. The internal audit services noted include all of those state entities.</p>			

Source: State entities' self-reported information in delegation of authority requests submitted to the State Auditor's Office.