



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

Operating Policy and Procedure

HSC OP: 04.02, **Audits and Reviews by External Auditors**

PURPOSE: This Operating Policy/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 by March 1 of each odd-numbered year (ONY) by the Chief Audit Executive, with recommendations for change forwarded to the President by March 15.

POLICY/PROCEDURE:

The University is periodically the subject of audits or reviews performed by the State Auditor's Office, the State Comptroller, the Legislative Budget Board, other state or federal agencies, or external auditors engaged by those agencies. Such engagements not initiated within Texas Tech 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 is to establish 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 Chief Audit Executive (CAE) should be notified.
- b. The 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. The OAS may also be involved in coordination, gathering data, assisting with fieldwork, and/or reviewing management responses.

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 CAE will assist University administrators with obtaining such approval.
- b. To initiate the approval process, the administrator should provide the CAE with the Request for Qualifications (RFQ) 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 CAE will communicate the results of the request to the administrator.

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 CAE will ensure communication of the results of engagements to the President, the Chancellor, and the Audit Committee of the Board of Regents.