



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

February 9, 2016

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, 2014, through August 31, 2015, the State Auditor's Office received and approved 118 delegation of authority requests from 65 state entities.

Some delegations of authority included a request for more than one project, the majority of which were for audit services. The 118 delegation of authority requests included 133 projects with an estimated total cost exceeding \$53.0 million, as reported by the state entities in their delegation of authority requests.

The delegation of authority requests are classified in the following three categories:

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

**Internal audit services:** Those services are associated with state entities that do not have an internal audit department but are 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 requests the authority to outsource the internal audit function. This category also includes requests from state entities that

## 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-32, the General Appropriations Act (83rd Legislature), provided 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.

have an internal audit department but may not have the required resources or required expertise to perform a particular audit.

**Other services:** Those services include performance and compliance audits. They also include other engagements, such as attestations (mostly client and auditor agreed-upon procedures), and consulting services.

Of the 133 projects included in the 118 delegation of authority requests reviewed, 60 (45.11 percent) were for financial audits, 26 (19.55 percent) were for internal audit services, and 47 (35.34 percent) were for other services.

In addition, 10 state entities accounted for 67 (50.38 percent) of the 133 requested projects. Table 1 lists those 10 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 requested from September 1, 2014, through August 31, 2015. 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. The following members of the State Auditor's staff performed the project:

- Gregory Scott Adams, CPA, MPA, CGFM (Project Manager)
- Julia Youssefnia, CPA
- Brianna C. Lehman, CPA (Quality Control Reviewer)
- Michael Stiernberg, (Audit Manager)

Table 1

Ten State Entities With the Most Projects Requested Under Delegation of Authority Requests From September 1, 2014, through August 31, 2015	
State Entity	Number of Projects
Health and Human Services Commission	19
The University of Texas System	13
Texas Tech University System	8
The University of Texas at Austin	5
Texas Treasury Safekeeping Trust Company	5
University of Houston	4
The University of Texas Health Science Center at Houston	4
Cancer Prevention and Research Institute of Texas	3
Texas Lottery Commission	3
Teacher Retirement System	3

Texas Government Code, Section 2102.0091, and the State Auditor's Office's delegation of authority approval process require state entities to submit the final audit report to the State Auditor's Office. Of the 133 requested projects, the State Auditor's Office had received reports for 83 projects (62.41 percent) as of December 18, 2015. State entities also reported that 49 (36.84 percent) projects were ongoing or had not yet started. A request for 1 (0.75 percent) delegation of authority resulted in a contract; however, no audit work was performed under that contract.

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The table in the attachment to this letter summarizes the delegation of authority requests the State Auditor's Office received from September 1, 2014, through August 31, 2015.

Sincerely,

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

Attachment

cc: The Honorable Greg Abbott, Governor



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To report waste, fraud, or abuse in state government call the SAO Hotline: 1-800-TX-AUDIT.

# Attachment

## ***Delegations of Authority Requested to Procure Services in Fiscal Year 2015***

Table 2 lists the approved delegations of authority that 65 state entities requested between September 1, 2014, and August 31, 2015. It lists delegations of authority, the vendor contracted to provide the outsourced services, the project type, and the requesting state 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 2015			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
<b>Article I - General Government</b>			
<b>307 - Office of the Secretary of State</b>			
Internal Audit Services for Fiscal Year 2015	Internal Audit Services	Jansen & Gregorczyk, CPAs	\$ 50,000
<b>Office of the Secretary of State - Total</b>			<b>\$50,000</b>
<b>313 - Department of Information Resources</b>			
Agreed-upon Procedures of the Texas.gov Financial Report for the 16 Months Ending December 31, 2014	Other Services	KPMG LLP	\$ 40,500
Audit of Performance Measures	Other Services	McConnell & Jones LLP	\$ 50,000
<b>Department of Information Resources - Total</b>			<b>\$90,500</b>
<b>327 - Employees Retirement System</b>			
Audit of Database Administration	Internal Audit Services	Weaver and Tidwell LLP	\$ 50,000
<b>Employee's Retirement System - Total</b>			<b>\$50,000</b>
<b>403 - Veterans Commission</b>			
Internal Audit Services for Fiscal Year 2015	Internal Audit Services	Jansen & Gregorczyk, CPAs	\$ 39,660
<b>Veterans Commission - Total</b>			<b>\$39,660</b>
<b>477 - Commission on State Emergency Communications</b>			
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	Jansen & Gregorczyk, CPAs	\$ 31,000
<b>Commission on State Emergency Communications - Total</b>			<b>\$31,000</b>
<b>542 - Cancer Prevention and Research Institute of Texas</b>			
Internal Audit Services for Fiscal Year 2015	Internal Audit Services	Weaver and Tidwell LLP	\$ 217,500
Audit of Financial Statements for the Year Ended August 31, 2014	Financial Audits	McConnell & Jones LLP	42,000

Delegations of Authority Requested in Fiscal Year 2015			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Audit of Financial Statements for the Year Ended August 31, 2015	Financial Audits	McConnell & Jones LLP	42,840
Cancer Prevention and Research Institute of Texas - Total			\$302,340
Article I - Total			\$563,500
Article II - Health and Human Services			
529 - Health and Human Services Commission			
Recovery Audit of Payments Made by the State of Texas to Medicaid-enrolled Providers for Fiscal Year 2015	Other Services	Health Management Systems, Inc.	\$ 1 <sup>a</sup>
Risk Assessment Engagement of Compliance for the Enrollment Broker Services Contract for Medicaid and Children's Health Insurance Program (CHIP)	Other Services	Myers and Stauffer LC	57,047
Texas Delivery System Reform Incentive Payment Program Mid-point Assessment of Projects for the Reporting Period Ending April 30, 2014	Other Services	Myers and Stauffer LC	1,000,000
Performance Audits of 10 Managed Care Organizations - Varying Date Ranges	Other Services	DK Partners, PC Myers and Stauffer LC	348,000
Retrospective Medicaid Cost Settlement Audits of the Medicaid Claims Primary Care Case Management, Pharmacy Claims, and Rebate Administration Contracts	Financial Audits	DK Partners, PC	209,565
Statement of Standards for Attestation Engagements (SSAE) No. 16, Type II Audit of the Electronic Benefits Transfer System for the Period September 1, 2013, to August 31, 2014	Other Services	Myers and Stauffer LC	87,839
Agreed-upon Procedures to Elements of the Financial Statistical Records (Disproportionate Share Hospital Program) of 11 Providers for the 18-month Period Ended August 31, 2013	Other Services	Myers and Stauffer LC	565,917
Agreed-upon Procedures for the Final Reconciliation of Uncompensated Care Pool Payments for Federal Fiscal Year 2012	Other Services	Myers and Stauffer LC	218,514
Agreed-upon Procedures on the Texas Health Transformation and Quality Improvement Program	Other Services	Horne LLP	296,661
Statement of Standards for Attestation Engagements (SSAE) 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 for Health Insurance Portability and Accountability Act (HIPAA) Compliance	Other Services	Myers and Stauffer LC	155,987
Statement of Standards for Attestation Engagements (SSAE) No. 16, Type II Audit of Accenture LLP (TMHP) Related to Medicaid Fiscal Agent Services	Other Services	Myers and Stauffer LC	145,108
Audit of Three Specified Long-Term Care Services and Supports Performance Measures for Calendar Year 2013	Other Services	Myers and Stauffer LC	144,880
Assessment of Accenture LLP Serving as the Medicaid Claims Administrator and Doing Business as the Texas Medicaid and Healthcare Partnership (TMHP) - for the State of Texas Compliance with HIPAA Privacy and Security Rules	Other Services	Myers and Stauffer LC	79,804
Audit of the Data Integrity Unit Processes within the Office of Social Services for Texas Integrated Eligibility Redesign System (TIERS)	Other Services	Myers and Stauffer LC	350,000
Agreed-upon Procedures of the Electronic Health Records Incentive Payments - Fiscal Year 2015	Other Services	DK Partners, PC	1,843,439

Delegations of Authority Requested in Fiscal Year 2015			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Audit of Financial Data Submitted by the Texas Integrated Eligibility Redesign System (TIERS) Data Center Services Contractor	Other Services	Contract Pending	Not Applicable <sup>i</sup>
Agreed-upon Procedures of Medicaid and CHIP Managed Care Financial Statistical Reports for the 18-month Period Ended August 31, 2013	Other Services	DK Partners, PC 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, PC	167,670
Retrospective Cost Settlement Audit (NorthgateArinso) for the Periods Covering May 1, 2013, through April 20, 2015	Financial Audits	Contract Pending	Not Applicable <sup>i</sup>
<b>Health and Human Services Commission - Total</b>			<b>\$9,670,432</b>
<b>537 - Department of State Health Services</b>			
Medicare Cost Reporting and Disproportionate Share Hospital Program Audit Survey	Other Services	Discovery Healthcare Consulting Group LLC	\$ 108,000
<b>Department of State Health Services - Total</b>			<b>\$108,000</b>
<b>Article II - Total</b>			<b>\$9,778,432</b>
<b>Article III - Education</b>			
<b>323 - Teacher Retirement System</b>			
Audit of Information Technology Controls at Third-party Investment Providers	Internal Audit Services	Protiviti, Inc.	\$ 110,000
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.	800,000
Audit of SharePoint Governance and Security	Other Services	Myers and Stauffer LC	41,822
<b>Teacher Retirement System - Total</b>			<b>\$951,822</b>
<b>506 - The University of Texas M.D. Anderson Cancer Center</b>			
Information Technology Auditing Services for Fiscal Year 2016	Internal Audit Services	PricewaterhouseCoopers LLP	\$ 1,475,000
Construction Auditing Services for Fiscal Year 2016	Internal Audit Services	Protiviti, Inc.	50,000
<b>The University of Texas M.D. Anderson Cancer Center - Total</b>			<b>\$1,525,000</b>
<b>555 - Texas A&amp;M AgriLife Extension Service</b>			
Agreed-upon Procedures for University Grants Received from the Cancer Prevention Institute of Texas for the Year Ended August 31, 2015	Financial Audits	Ingram, Wallis & Co., PC	\$ 6,500
<b>Texas A&amp;M AgriLife Extension Service - Total</b>			<b>\$6,500</b>
<b>709 - Texas A&amp;M University System Health Science Center</b>			
Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2014	Financial Audits	Ingram, Wallis & Co., PC	\$ 15,000
<b>Texas A&amp;M University System Health Science Center - Total</b>			<b>\$15,000</b>
<b>711 - Texas A&amp;M University</b>			
Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2014	Financial Audits	Ingram, Wallis & Co., PC	\$ 8,500
<b>Texas A&amp;M University - Total</b>			<b>\$8,500</b>

Delegations of Authority Requested in Fiscal Year 2015			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
<b>712 - Texas A&amp;M Engineering Experiment Station</b>			
Agreed-upon Procedures for University Grants Received from the Cancer Prevention and Research Institute of Texas for the Year Ended August 31, 2015	Other Services	Ingram, Wallis & Co., PC	\$ 5,500
<b>Texas A&amp;M Engineering Experiment Station - Total</b>			<b>\$5,500</b>
<b>715 - Prairie View A&amp;M University</b>			
Audit of KPVO-FM Radio Station Financial Statements for the Year Ended August 31, 2014	Financial Audits	Ingram, Wallis & Co., PC	\$ 9,100
Agreed-upon Procedures of the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2014	Other Services	PricewaterhouseCoopers LLP	35,000
<b>Prairie View A&amp;M University - Total</b>			<b>\$44,100</b>
<b>717 - Texas Southern University</b>			
Audit of Financial Statements for the Year Ended August 31, 2015	Financial Audits	Whitley Penn LLP	\$ 75,300
<b>Texas Southern University - Total</b>			<b>\$75,300</b>
<b>719 - Texas State Technical College System</b>			
Review of Financial Statements for the Years Ended August 31, 2013, and August 31, 2014	Other Services	Pattillo, Brown & Hill LLP	\$ 100,000
<b>Texas State Technical College System - Total</b>			<b>\$100,000</b>
<b>720 - The University of Texas System Administration</b>			
Audit of Financial Statements for the University of Texas - Pan American for the Years Ended August 31, 2013, and August 31, 2014. That delegation of authority request also included:	Financial Audits	Deloitte & Touche LLP	\$ 442,000 <sup>b</sup>
<ul style="list-style-type: none"> <li>▪ Audit of Financial Statements for the University of Texas at Brownsville for the Years Ended August 31, 2013, and August 31, 2014</li> </ul>	Financial Audits	Deloitte & Touche LLP	
Audit of the University of Texas System Consolidated Financial Statements for the Year Ended August 31, 2015. That delegation of authority request also included:	Financial Audits	Deloitte & Touche LLP	2,834,549 <sup>c</sup>
<ul style="list-style-type: none"> <li>▪ Audit of the Financial Statements of Certain Funds of the University of Texas Investment Management Company for the Year Ended August 31, 2014 and the year ended August 31, 2015</li> </ul>	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, 2014, at the University of Texas at Austin. That delegation of authority request also included:	Financial Audits	Deloitte & Touche LLP	527,540 <sup>d</sup>
<ul style="list-style-type: none"> <li>▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Years Ended August 31, 2014, at the University of Texas M.D. Anderson Cancer Center</li> </ul>	Financial Audits	Deloitte & Touche LLP	
<ul style="list-style-type: none"> <li>▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2014, at the University of Texas Health Science Center at Houston</li> </ul>	Financial Audits	Deloitte & Touche LLP	



Delegations of Authority Requested in Fiscal Year 2015			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
<ul style="list-style-type: none"> <li>▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2014, at the University of Texas Health Science Center at San Antonio</li> <li>▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2014, at the University of Texas Medical Branch at Galveston</li> <li>▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2014, at the University of Texas at Arlington</li> <li>▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2014, at the University of Texas at Dallas</li> <li>▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2014, at the University of Texas at El Paso</li> </ul>	Financial Audits	Deloitte & Touche LLP	
	Financial Audits	Deloitte & Touche LLP	
	Financial Audits	Deloitte & Touche LLP	
	Financial Audits	Deloitte & Touche LLP	
	Financial Audits	Deloitte & Touche LLP	
Audit of the University of Texas Investment Management Company Financial Statements for the Year Ended August 31, 2015	Financial Audits	Deloitte & Touche LLP	39,000
<b>The University of Texas System Administration - Total</b>			<b>\$3,843,089</b>
<b>721 - The University of Texas at Austin</b>			
Audit of University Interscholastic League Financial Statements for the Year Ended August 31, 2013. That delegation of authority request also included:	Financial Audits	West, Davis & Company LLP	34,500 <sup>e</sup>
<ul style="list-style-type: none"> <li>▪ Audit of University Interscholastic League Financial Statements for the Year Ended August 31, 2014</li> </ul>	Financial Audits	West, Davis & Company LLP	
Audit of the University's Intercollegiate Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2014	Other Services	Maxwell Locke & Ritter LLP	38,500
Audit of the University Charter School Financial Statements for the Year Ended August 31, 2014	Financial Audits	West, Davis & Company LLP	15,000
Audit of KUT-FM Radio Station Financial Statements for the Year Ended August 31, 2014	Financial Audits	Gindler, Chappell, Morrison & Co., PC	11,300
<b>The University of Texas at Austin - Total</b>			<b>\$99,300</b>
<b>724 - The University of Texas at El Paso</b>			
Audit of KTEP-FM Radio Station Financial Statements for the Year Ended August 31, 2014	Financial Audits	Stockton Scurry & Smith Certified Public Accountants, PC	\$ 16,500
Audit of Financial Statements for the Year Ended August 31, 2015	Financial Audits	Deloitte & Touche LLP	59,500
<b>The University of Texas at El Paso - Total</b>			<b>\$76,000</b>
<b>729 - The University of Texas Southwestern Medical Center</b>			
Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2014	Financial Audits	Crowe Horwath LLP	\$ 59,795
<b>The University of Texas Southwestern Medical Center - Total</b>			<b>\$59,795</b>

Delegations of Authority Requested in Fiscal Year 2015			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
<b>730 - University of Houston</b>			
Agreed-upon Procedures for University Grants Received from the Cancer Prevention Institute of Texas for the Year Ended August 31, 2015	Other Services	BKD LLP	\$ 30,000
Audit of the University of Houston Charter School Financial Statements for the Year Ended August 31, 2015	Financial Audits	Belt Harris Pechacek LLLP	28,000
Audit of the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2015	Other Services	Belt Harris Pechacek LLLP	37,800
Audit of Houston Public Media Financial Statements for the Year Ended August 31, 2015	Financial Audits	BKD LLP	100,280
<b>University of Houston - Total</b>			<b>\$196,080</b>
<b>731 - Texas Woman's University</b>			
Agreed-upon Procedures of the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2013	Other Services	Leroy Howe & Company, PC	\$ 8,000
<b>Texas Woman's University - Total</b>			<b>\$8,000</b>
<b>733 - Texas Tech University</b>			
Audit of Texas Tech Public Broadcasting Financial Statements for the Year Ended August 31, 2014	Financial Audits	Davis Kinard & Co, PC	\$ 26,000
<b>Texas Tech University - Total</b>			<b>\$26,000</b>
<b>734 - Lamar University</b>			
Agreed-upon Procedures of the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2014. That delegation of authority request also included:	Other Services	Gayle W. Botley, CPA	\$ 16,000 <sup>f</sup>
▪ Audit of KVLU-FM Radio Station Financial Statements for the Year Ended August 31, 2014	Financial Audits	Gayle W. Botley, CPA	
<b>Lamar University - Total</b>			<b>\$16,000</b>
<b>742 - The University of Texas of the Permian Basin</b>			
Audit of the University Charter School Financial Statements for the Year Ended August 31, 2015	Financial Audits	Belt Harris Pechacek LLLP	\$ 9,000
<b>The University of Texas of the Permian Basin - Total</b>			<b>\$9,000</b>
<b>744 - The University of Texas Health Science Center at Houston</b>			
Audit of Harris County Psychiatric Center Financial Statements for the Year Ended August 31, 2014	Financial Audits	BKD, LLP	\$ 70,000
Audit of the University of Texas System Medical Foundation Financial Statements for the Year Ended August 31, 2014	Financial Audits	Blazek & Vetterling, CPAs	15,400
Audit of the University of Texas Physicians Financial Statements for the Year Ended August 31, 2015	Financial Audits	Blazek & Vetterling, CPAs	37,000
Audit of Harris County Psychiatric Center Financial Statements for the Year Ended August 31, 2015	Financial Audits	BKD, LLP	70,000
<b>The University of Texas Health Science Center at Houston - Total</b>			<b>\$192,400</b>

Delegations of Authority Requested in Fiscal Year 2015			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
<b>750 - The University of Texas at Tyler</b>			
Audit of the University of Texas at Tyler Innovation Academy Financial Statements for the Year Ended August 31, 2014	Financial Audits	Belt Harris Pechacek LLLP	\$ 10,000
Audit of the University of Texas at Tyler Innovation Academy Financial Statements for the Year Ended August 31, 2015	Financial Audits	Belt Harris Pechacek LLLP	10,000
<b>The University of Texas at Tyler - Total</b>			<b>\$20,000</b>
<b>752- University of North Texas</b>			
Agreed-upon Procedures of the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2014	Other Services	Merki & Associates, PC	\$ 5,000
<b>University of North Texas - Total</b>			<b>\$5,000</b>
<b>753 - Sam Houston State University</b>			
Agreed-upon Procedures of the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2014	Other Services	Bickley, Prescott & Co.	\$ 3,425
<b>Sam Houston State University - Total</b>			<b>\$3,425</b>
<b>755 - Stephen F. Austin State University</b>			
Audit of the Stephen F. Austin Charter School Financial Statements for the Year Ended August 31, 2015	Financial Audits	Goff & Herrington, PC	\$ 7,250
Agreed-upon Procedures on the University's Intercollegiate Athletic Program's Financial Report for the Year Ended August 31, 2015, in Accordance with the National Collegiate Athletic Association	Other Services	Goff & Herrington, PC	4,650
<b>Stephen F. Austin State University - Total</b>			<b>\$11,900</b>
<b>757 - West Texas A&amp;M University</b>			
Review of Financial Statements for the Year Ended August 31, 2015	Other Services	Grant Thornton LLP	\$ 15,000
<b>West Texas A&amp;M University - Total</b>			<b>\$15,000</b>
<b>758 - Texas State University System</b>			
Internal Audit Services for Fiscal Year 2015	Internal Audit Services	Deloitte & Touche LLP	\$ 50,000
<b>Texas State University System - Total</b>			<b>\$50,000</b>
<b>760 - Texas A&amp;M University - Corpus Christi</b>			
Agreed-upon Procedures on the Texas Connection Consortium Statement of Revenues and Expenses for the Year Ended August 31, 2015	Other Services	Flusche, Van Beveren, Kilgore, PC	\$ 33,000
<b>Texas A&amp;M University - Corpus Christi - Total</b>			<b>\$33,000</b>
<b>761 - Texas A&amp;M International University</b>			
Agreed-upon Procedures of the University's Athletics Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2014	Other Services	PriceWaterhouseCoopers LLP	\$ 19,500
<b>Texas A&amp;M International University - Total</b>			<b>\$19,500</b>

Delegations of Authority Requested in Fiscal Year 2015			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
<b>764 - Texas A&amp;M University - Texarkana</b>			
Review of Financial Statements for the Year Ended August 31, 2015	Other Services	Grant Thornton LLP	\$ 25,000
<b>Texas A&amp;M University - Texarkana - Total</b>			<b>\$25,000</b>
<b>768 - Texas Tech University System</b>			
Audit of The Texas Tech Foundation, Inc. Financial Statements for the Year Ended August 31, 2014	Financial Audits	Davis Kinard & Co, PC	\$ 28,500
Agreed-upon Procedures on Credit Card, Travel Expenses, and Charter Flights for the Year Ended August 31, 2014	Other Services	Bolinger, Segars, Gilbert & Moss LLP	24,000
Construction Auditing Services	Internal Audit Services	McGladrey and Pullen LLP CBIZ Risk and Advisory Services LLC	100,000
Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2014	Financial Audits	Bolinger, Segars, Gilbert & Moss LLP	25,000
Audit of The Texas Tech Foundation, Inc. Financial Statements for the Year Ended August 31, 2015	Financial Audits	Davis Kinard & Co, PC	28,500
Agreed-upon Procedures on Credit Card, Travel Expenses, and Charter Flights for the Period for the Year Ended August 31, 2015	Other Services	Bolinger, Segars, Gilbert & Moss LLP	24,000
Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2015	Financial Audits	Contract Pending	Not Applicable <sup>i</sup>
Agreed-upon Procedures of the University's Athletic Department in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2015	Other Services	Grant Thornton LLP	18,500
<b>Texas Tech University System - Total</b>			<b>\$248,500</b>
<b>769 - University of North Texas System Administration</b>			
Audit of Financial Statements for the Year Ended August 31, 2014	Financial Audits	Grant Thornton LLP	\$ 420,000
Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2014	Financial Audits	Grant Thornton LLP	25,000
<b>University of North Texas System Administration - Total</b>			<b>\$445,000</b>
<b>781 - Higher Education Coordinating Board</b>			
Audit of Financial Statements for the Year Ended August 31, 2014	Financial Audits	KPMG LLP	\$ 162,100
<b>Higher Education Coordinating Board - Total</b>			<b>\$162,100</b>
<b>783 - University of Houston System</b>			
Audit of the University Endowment Fund Financial Statements for the Year Ended August 31, 2015	Financial Audits	BKD LLP	\$ 68,560
<b>University of Houston System - Total</b>			<b>\$68,560</b>
<b>784 - University of Houston - Downtown</b>			
Review of the Financial Statements for the Year Ended August 31, 2015	Other Services	BKD LLP	\$ 35,000
<b>University of Houston - Downtown - Total</b>			<b>\$35,000</b>

Delegations of Authority Requested in Fiscal Year 2015			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
<b>785 - The University of Texas Health Science Center at Tyler</b>			
Audit of East Texas Quality Care Network, Inc. Financial Statements for the Year Ended August 31, 2014	Financial Audits	CliftonLarsonAllen LLP	\$ 8,800
Audit of East Texas Quality Care Network, Inc. Financial Statements for the Year Ended August 31, 2015	Financial Audits	CliftonLarsonAllen LLP	8,800
<b>The University of Texas Health Science Center at Tyler - Total</b>			<b>\$17,600</b>
<b>Article III - Total</b>			<b>\$8,416,971</b>
<b>Article V - Public Safety and Criminal Justice</b>			
<b>401 - Texas Military Department</b>			
Internal Audit Services for Fiscal Year 2015	Internal Audit Services	McConnell & Jones LLP	\$ 146,110
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	McConnell & Jones LLP	146,110
<b>Texas Military Department - Total</b>			<b>\$292,220</b>
<b>405 - Department of Public Safety</b>			
Audit of Federal Emergency Management Public Assistance Grants for Fiscal Year 2016	Other Services	Cohn Reznick LLP Ernst & Young LLP Grant Thornton LLP Horne LLP	\$ 30,295,000
<b>Department of Public Safety - Total</b>			<b>\$30,295,000</b>
<b>458 - Alcoholic Beverage Commission</b>			
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	Monday N. Rufus & Co., PC	\$ 50,000
<b>Alcoholic Beverage Commission - Total</b>			<b>\$50,000</b>
<b>696 - Department of Criminal Justice</b>			
Audit of Compliance with the Prison Rape Elimination Act	Other Services	American Correctional Association	\$ 531,800
<b>Department of Criminal Justice - Total</b>			<b>\$531,800</b>
<b>Article V - Total</b>			<b>\$31,169,020</b>
<b>Article VI - Natural Resources</b>			
<b>305 - General Land Office</b>			
Audit of Oil and Gas Services Royalties	Other Services	Grant Thornton LLP	\$ 350,000
Audit of the State Energy Program Contractors - Reliant Energy and Cavallo Energy	Other Services	MLHubbard PLLC	24,500
<b>General Land Office - Total</b>			<b>\$374,500</b>
<b>554 - Animal Health Commission</b>			
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	Monday N. Rufus & Co., PC	\$ 46,350
<b>Animal Health Commission - Total</b>			<b>\$46,350</b>

Delegations of Authority Requested in Fiscal Year 2015			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
<b>592 - Soil and Water Conservation Board</b>			
Internal Audit Services for Fiscal Year 2015	Internal Audit Services	Jansen & Gregorczyk, CPAs	\$ 24,000
Soil and Water Conservation Board - Total			\$24,000
Article VI - Total			\$444,850
<b>Article VII - Business and Economic Development</b>			
<b>332 - Department of Housing and Community Affairs</b>			
Report for Cameron and Willacy Counties Community Projects, Inc. for the Years Ended December 31, 2013, and December 31, 2014	Other Services	Wipfli LLP	\$ 7,500
Department of Housing and Community Affairs - Total			\$7,500
<b>362 - Texas Lottery Commission</b>			
Audit of Financial Statements for the Year Ended August 31, 2015	Financial Audits	Weaver and Tidwell LLP	\$ 82,000
Agreed-upon Procedures for the Verification and Certification of Lottery Drawings for Fiscal Year 2016	Other Services	Davila, Buschhorn & Associates, P.C.	1,029,086
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	McConnell & Jones LLP	300,000
Texas Lottery Commission - Total			\$1,411,086
<b>601 - Department of Transportation</b>			
Audit of the Financial Statements for the Year Ended August 31, 2015, of the Department of Transportation, the Central Texas Turnpike, and the Texas Mobility Fund	Financial Audits	Crowe Horwath LLP	\$ 650,000
Department of Transportation - Total			\$650,000
Article VII - Total			\$2,068,586
<b>Article VIII - Regulatory</b>			
<b>312 - State Securities Board</b>			
Internal Audit Services for Fiscal Year 2015	Internal Audit Services	Garza/Gonzalez & Associates	\$ 21,000
State Securities Board - Total			\$21,000
<b>360 - State Office of Administrative Hearings</b>			
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	Garza/Gonzalez & Associates	\$ 23,480
State Office of Administrative Hearings - Total			\$23,480
<b>448 - Office of Injured Employee Counsel</b>			
Internal Audit Services for Fiscal Years 2015 and 2016	Internal Audit Services	McConnell & Jones LLP	\$ 30,000
Office of Injured Employee Counsel - Total			\$30,000
<b>456 - State Board of Plumbing Examiners</b>			
Internal Audit Services - Financial Audit for the Fiscal Year Ended August 31, 2014	Internal Audit Services	Monday N. Rufus & Co., PC	\$ 13,000
State Board of Plumbing Examiners - Total			\$13,000

Delegations of Authority Requested in Fiscal Year 2015			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
<b>476 - Racing Commission</b>			
Internal Audit Services for Fiscal Year 2015	Internal Audit Services	Monday N. Rufus & Co., PC	\$ 10,000
<b>Racing Commission - Total</b>			<b>\$10,000</b>
<b>507 - Texas Board of Nursing</b>			
Internal Audit Services for Fiscal Year 2015	Internal Audit Services	E. J. Stepp, CPA	\$ 25,000
<b>Texas Board of Nursing - Total</b>			<b>\$25,000</b>
<b>Article VIII - Total</b>			<b>\$122,480</b>
<b>Other State Entities <sup>g</sup></b>			
<b>014 - Texas A&amp;M Research Foundation</b>			
Audit of Financial Statements for the Year Ended August 31, 2015	Financial Audits	Ingram, Wallis & Co., PC	\$ 75,000
<b>Texas A&amp;M Research Foundation - Total</b>			<b>\$ 75,000</b>
<b>315 - Comptroller - Prepaid Higher Education Tuition Board</b>			
Audits of the Prepaid Tuition and College Savings Plans Financial Statements for the Year Ended August 31, 2015	Financial Audits	Padgett, Stratemann & Co., LLP	\$ 53,800
<b>Comptroller - Prepaid Higher Education Tuition Board - Total</b>			<b>\$53,800</b>
<b>329 - Real Estate Commission</b>			
Internal Audit Services for Fiscal Year 2015	Internal Audit Services	Garza/Gonzalez & Associates	\$ 32,000
<b>Real Estate Commission - Total</b>			<b>\$32,000</b>
<b>449 - Finance Commission of Texas</b>			
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	Garza/Gonzalez & Associates	\$ 64,930
<b>Finance Commission of Texas - Total</b>			<b>\$64,930</b>
<b>457 - Board of Public Accountancy</b>			
Internal Audit Services for Fiscal Year 2016	Internal Audit Services	Monday N. Rufus & Co., PC	\$ 25,000
<b>Board of Public Accountancy - Total</b>			<b>\$25,000</b>
<b>460 - Board of Professional Engineers</b>			
Internal Audit Services for Fiscal Year 2015	Internal Audit Services	Monday N. Rufus & Co., PC	\$ 8,400
<b>Board of Professional Engineers - Total</b>			<b>\$8,400</b>
<b>930 - Texas Treasury Safekeeping Trust Company</b>			
Audit of Financial Statements for the Year Ended August 31, 2015. That delegation of authority request also included:	Financial Audits	Padgett, Stratemann & Co. LLP	\$200,000 <sup>h</sup>
▪ An Audit of the State Water Implementation Fund for Texas Financial Statements for the Year Ended August 31, 2015	Financial Audits	Padgett, Stratemann & Co. LLP	
▪ An Audit of the Texas Local Government Investment Pool Financial Statements for the Year Ended August 31, 2015	Financial Audits	Padgett, Stratemann & Co. LLP	

Delegations of Authority Requested in Fiscal Year 2015			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
▪ An Audit of the Texas Local Government Investment Pool Prime Financial Statements for the Year Ended August 31, 2015	Financial Audits	Padgett, Stratemann & Co. LLP	
▪ An Audit of the Tobacco Settlement Permanent Trust Fund Financial Statements for the Year Ended August 31, 2015	Financial Audits	Padgett, Stratemann & Co. LLP	
<b>Texas Treasury Safekeeping Trust Company - Total</b>			<b>\$200,000</b>
<b>Other State Entities - Total</b>			<b>\$459,130</b>
<b>Delegations of Authority Estimated Cost for Fiscal Year 2015 - Total</b>			<b>\$53,022,969</b>
<p><sup>a</sup> The \$1 state entity estimated cost does not reflect the actual estimated cost. Instead, the contract is a contingency fee agreement, and the contractor will not be paid unless the contractor finds overpayments to recover.</p> <p><sup>b</sup> The University of Texas System Administration requested under one delegation the authority to contract for external audit services for financial statement audits of both the University of Texas at Brownsville and the University of Texas - Pan American. It reported a total estimated cost of \$442,000 for both of those audits.</p> <p><sup>c</sup> The University of Texas System Administration requested under one delegation the authority to contract for external audit services for financial statement audits of certain funds of the University of Texas Investment Management Company and the University System's consolidated financial statements, including the financial statements of the University of Texas M.D. Anderson Cancer Center, the University of Texas Southwestern Medical Center, the University of Texas Medical Branch at Galveston, and the University of Texas Health Science Center at Tyler.</p> <p><sup>d</sup> The University of Texas System Administration requested under one delegation the authority to contract for external audit services for audits of Cancer Prevention and Research Institute awards received by higher education institutions under its administration. It reported a total estimated cost of \$527,540 for all of those audits.</p> <p><sup>e</sup> The University of Texas at Austin requested under one delegation the authority to contract for external audit services for financial statement audits of the University Interscholastic League for both fiscal year 2013 and fiscal year 2014. It reported a total estimated cost of \$34,500 for both of those audits.</p> <p><sup>f</sup> Lamar University requested under one delegation the authority to contract for external audit services for two projects. It reported \$16,000 as the total estimated cost for both projects.</p> <p><sup>g</sup> Other state entities that are not included in the General Appropriations Act.</p> <p><sup>h</sup> The Texas Treasury Safekeeping Trust Company requested the delegation of audit authority to contract for external audit services for financial statements of the agency and certain funds managed by the agency. The contractor has completed four audit reports and one audit is ongoing. The agency reported a total estimated budget amount of \$200,000, which included the total estimated cost for all five reports.</p> <p><sup>i</sup> The state entity provided an estimated cost; however, the contract was not finalized as of December 18, 2015.</p>			