



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

March 3, 2020

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. 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, 2018, through August 31, 2019, the State Auditor's Office received and approved 127 delegation of authority requests from 67 state entities.

Some delegations of authority covered more than one project. The 127 delegation of authority requests included 154 projects with an estimated total cost of approximately \$60.3 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 the auditee's financial statements were presented fairly, in all material aspects, in accordance with an applicable financial reporting framework 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 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.

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, Article IX, Section 6.20, of the General Appropriations Act (86th 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), 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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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 154 projects included in the 127 delegation of authority requests reviewed, 65 (42.2 percent) were for financial audits, 60 (39.0 percent) were for other services, and 29 (18.8 percent) were for internal audit services.

In addition, 12 state entities accounted for 86 (55.8 percent) of the 154 requested projects. Table 1 lists those 12 state entities.

Objective, Scope, and Methodology

The objectives of this project were to review state agencies' and higher education institutions' requests for delegated audit authority and to review documents and deliverables associated with audits for which audit authority has been delegated. The project scope included delegations of authority requests from September 1, 2018, through August 31, 2019. 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 judgment to determine the three categories in which to classify a project. The following members of the State Auditor's staff performed the project:

- Valeria Aguirre, MPA (Project Manager)
- Oliver R. Guerra
- Ann E. Karnes, CPA (Quality Control Reviewer)
- Michael Stiernberg, MBA, JD (Audit Manager)

Table 1

Twelve State Entities With the Most Projects Requested Under Delegation of Authority Requests From September 1, 2018, through August 31, 2019	
State Entity	Number of Projects
The University of Texas System	28
Health and Human Services Commission	17
Texas Tech University System	9
Texas A&M University - Commerce	4
Lamar University	4
University of Houston	4
Texas Lottery Commission	4
The University of Texas Health Science Center at Houston	4
Texas Southern University	3
The University of Texas M.D. Anderson Cancer Center	3
The University of Texas at Austin	3
Texas State University System	3

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

Members of the Legislative Audit Committee

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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 Requested to Procure Services in Fiscal Year 2019

Table 2 lists the approved delegations of authority that 67 entities requested between September 1, 2018, and August 31, 2019. 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 2019			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Article I - General Government			
304 - Office of the Comptroller of Public Accounts			
System and Organization Controls (SOC 1) Readiness Assessment for the Centralized Accounting Payroll/Personnel System	Other Services	KPMG LLP	\$609,000
Audit Activities Related to the Centralized Accounting and Payroll/Personnel System Compliance with Requirements	Other Services	Not Applicable ^a	200,000
Office of the Comptroller of Public Accounts - Total			\$809,000
306 - Library and Archives Commission			
Internal Audit Services for Fiscal Year 2019	Internal Audit Services	Weaver and Tidwell, LLP	\$99,520
Library and Archives Commission - Total			\$99,520
313 - Department of Information Resources			
Audit of the Texas NICUSA, LLC Financial Statements for the Year Ended August 31, 2018	Financial Audits	McConnell & Jones LLP	\$59,675
Department of Information Resources - Total			\$59,675
327 - Employees Retirement System			
An Audit of the Employee Retirement System Financial Statements for Fiscal Year 2020	Financial Audits	Contract Pending ^b	\$350,000
Employees Retirement System - Total			\$350,000
403 - Veterans Commission			
Internal Audit Services for Fiscal Year 2020	Internal Audit Services	McConnell & Jones LLP	\$45,520
Veterans Commission - Total			\$45,520
479 - State Office of Risk Management			
Internal Audit Services for Fiscal Year 2020	Internal Audit Services	McConnell & Jones LLP	\$39,370
State Office of Risk Management - Total			\$39,370

Delegations of Authority Requested in Fiscal Year 2019

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
542 - Cancer Prevention and Research Institute of Texas			
Internal Audit Services for Fiscal Year 2020	Internal Audit Services	Weaver and Tidwell, LLP	\$186,000
Audit of Financial Statements for the Year Ended August 31, 2019	Financial Audits	McConnell & Jones LLP	42,000
Cancer Prevention and Research Institute of Texas - Total			\$228,000
Article I - Total			\$1,631,085
Article II - Health and Human Services			
529 - Health and Human Services Commission			
An Audit of Vendor Compliance with the HIPAA Security Rule, HIPAA Privacy Rule, and HITECH Act for the Vendor Drug Program ^C	Other Services	Myers and Stauffer LC	\$150,000
Texas Medicaid and Healthcare Partnership Retrospective Cost Settlement Audit for the Period Ended August 31, 2018	Other Services	DK Partners, PC	175,000
Audits of Medicaid Managed Care and/or Fee-For-Service Providers	Other Services	Myers and Stauffer LC	660,780
Audit Services Related to the Document Processing Services Performed by Image API for Eligibility Support Services, Children's Health Insurance Program (CHIP), and Enrollment Broker Services	Other Services	Myers and Stauffer LC	184,100
Disproportionate Share Hospital Program Audit and Uncompensated Care Reconciliations ^C	Other Services	Myers and Stauffer LC	3,600,000
Agreed-upon Procedures on Medicaid and CHIP Managed Care Financial Statistical Reports	Other Services	Myers and Stauffer LC DK Partners, PC Eide Bailly, LLP	2,155,011
Agreed-upon Procedures on Medicaid Patient Transportation Services Provided by the Medical Transportation Program	Other Services	DK Partners, PC	1,196,616
Service Organization Controls (SOC) 1 Examination of the Texas Medicaid Claims Administration System for Fiscal Year 2019	Other Services	Eide Bailly, LLP	150,000
Disproportionate Share Hospital Program Audit and Uncompensated Care Reconciliations ^C	Other Services	Contract Pending ^b	6,000,000
Agreed-upon Procedures on Electronic Health Records Incentive Payments	Other Services	DK Partners, PC	951,011
System and Organization Controls (SOC 1) Examination of Conduent State Healthcare, LLC Related to Responsibilities of the Vendor Drug Program Pharmacy Claims and Rebate Administration Services	Other Services	Myers and Stauffer LC	145,075
Review of Supporting Documents Related to United Healthcare Agreed-upon Procedures Report	Other Services	Contract Pending ^b	50,000
Retrospective Cost Settlement Audit (NorthgateArinso, Inc.) for the Periods Covering May 1, 2015, through April 20, 2018	Other Services	DK Partners, PC	251,249
Texas Delivery System Reform Incentive Payments Program Mid-Point Assessment	Other Services	Contract Pending ^b	4,848,551
Retrospective Cost Settlement Audits of the Eligibility Support Services Program, CHIP, and Enrollment Broker Services	Other Services	Contract Pending ^b	1,108,397
Performance Audits of Managed Care Organizations	Other Services	DK Partners, PC Myers and Stauffer LC	1,750,000

Delegations of Authority Requested in Fiscal Year 2019

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
An Audit of Vendor Compliance with the HIPAA Security Rule, HIPAA Privacy Rule, and HITECH Act for the Vendor Drug Program ^C	Other Services	Myers and Stauffer LC	102,700
Health and Human Services Commission - Total			\$23,478,490
Article II - Total			\$23,478,490
Article III - Education			
323 - Teacher Retirement System			
Audit of the Teacher Retirement Investment Company of Texas, Ltd. Financial Statements for the Year Ended August 31, 2019	Financial Audits	Grant Thornton LLP	\$54,880
Teacher Retirement System - Total			\$54,880
506 - The University of Texas M.D. Anderson Cancer Center			
Internal Audit Services Related to Information Technology	Internal Audit Services	PricewaterhouseCoopers LLP	\$600,000
Internal Audit Services for the Assessment of Selected Project Delivery Processes of the University of Texas M.D. Anderson Cancer Center's Division of Operations and Facilities Management	Internal Audit Services	Protiviti	100,000
Internal Audit Services Related to Business Continuity	Internal Audit Services	PricewaterhouseCoopers LLP	100,000
The University of Texas M.D. Anderson Cancer Center - Total			\$800,000
556 - Texas A&M AgriLife Research			
Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2018	Financial Audits	Ingram, Wallis & Co., P.C.	\$6,750
Texas A&M AgriLife Research - Total			\$6,750
711 - Texas A&M University			
Audit of Technology Licensing Agreements with the United States and International Companies	Other Services	RSM US LLP	\$35,000
Texas A&M University - Total			\$35,000
712 - Texas A&M Engineering Experiment Station			
Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2018	Financial Audits	Ingram, Wallis & Co., P.C.	\$7,000
Texas A&M Engineering Experiment Station - Total			\$7,000
714 - The University of Texas at Arlington			
Agreed-upon Procedures on Cancer Prevention and Research Institute of Texas Grants for the Year Ended August 31, 2018	Other Services	Weaver and Tidwell, LLP	\$9,000
The University of Texas at Arlington - Total			\$9,000
715 - Prairie View A&M University			
Agreed-upon Procedures on Prairie View A&M University's Athletic Program in Accordance with National Collegiate Athletic Association Requirements for the Year Ended August 31, 2018	Other Services	PricewaterhouseCoopers LLP	\$35,000
Audit of KPVO-FM Radio Station Financial Statements for the Year Ended August 31, 2018	Financial Audits	Ingram, Wallis & Co., P.C.	7,500
Prairie View A&M University - Total			\$42,500

Delegations of Authority Requested in Fiscal Year 2019

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
717 - Texas Southern University			
Audit of Texas Southern University's Charter School Lab Financial Statements for the Years Ended July 31, 2017, and July 31, 2018	Financial Audits	J. Walker & Co.	\$30,000
Agreed-upon Procedures on Texas Southern University's Athletic Program in Accordance with National Collegiate Athletic Association Requirements for the Year Ended August 31, 2018	Other Services	J. Walker & Co.	12,000
Audit of Financial Statements for the Year Ended August 31, 2019	Financial Audits	Whitley Penn LLP	80,750
Texas Southern University - Total			\$122,750
720 - The University of Texas System			
Review of the University of Texas Rio Grande Valley Financial Statements for the Year Ended August 31, 2018, as Required by the Southern Association of Colleges and Schools Commission on Colleges	Financial Audits	Deloitte & Touche LLP	\$83,900 ^d
Agreed-upon Procedures of the University of Texas/Texas A&M Investment Management Company Performance Incentive Plan for Performance Period Ended August 31, 2018	Other Services	Deloitte & Touche LLP	16,000
Contract Compliance Review and Accounts Payable Recovery Services	Other Services	BSI Healthcare Audit Services LLC	0 ^e
Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2018 at the University of Texas at Austin. That delegation authority request also included:	Other Services	Deloitte & Touche LLP	854,013
<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, 2018 at the University of Texas Medical Branch at Galveston ▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2018 at the University of Texas Health Science Center at Houston ▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2018 at the University of Texas Health Science Center at San Antonio ▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2018 at the University of Texas M.D. Anderson Cancer Center ▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2018 at the University of Texas Health Science Center at Tyler ▪ Review of the University of Texas Health Science Center at Houston Financial Statements for the Years Ended August 31, 2019 and August 31, 2020, as Required by the Southern Association of Colleges and Schools Commission on Colleges ▪ Audit of the Federal Student Financial Aid Program at the University of Texas Health Science Center at Houston for the 2018-2019 and 2019-2020 Federal Student Financial Assistance Years ▪ Audit of the Federal Student Financial Aid Program at the University of Texas at San Antonio for the 2018-2019 Federal Student Financial Assistance Year 	Other Services		
	Other Services		
	Other Services		
	Other Services		
	Other Services		
	Financial Audits		
	Financial Audits		
	Financial Audits		

Delegations of Authority Requested in Fiscal Year 2019

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
<ul style="list-style-type: none"> ▪ Audit of the Federal Student Financial Aid Program at the University of Texas of the Permian Basin for the 2018-2019 Federal Student Financial Assistance Year 	Financial Audits		
Audit of the Federal Student Financial Aid Program at the University of Texas Rio Grande Valley for the 2017-2018 Federal Student Financial Assistance Year	Financial audits	Deloitte & Touche LLP	55,000
Audit of the University of Texas System Consolidated Financial Statements for the Year Ended August 31, 2019. That delegation authority request also included:	Financial Audits	Deloitte & Touche LLP	3,726,900
<ul style="list-style-type: none"> ▪ Audit of the University of Texas M.D. Anderson Cancer Center Financial Statements for the Year Ended August 31, 2019 ▪ Audit of the University of Texas Medical Branch at Galveston Financial Statements for the Year Ended August 31, 2019 ▪ Audit of the University of Texas Southwestern Medical Center and University Hospitals Financial Statements for the Year Ended August 31, 2019 ▪ Audit of the University of Texas at Austin Financial Statements for the Year Ended August 31, 2019 ▪ Audit of the Financial Statements for Funds Managed by the University of Texas/Texas A&M Investment Management Company for the Year Ended August 31, 2019 ▪ Review of the University of Texas of the Permian Basin Statements for the Year Ended August 31, 2019, as Required by the Southern Association of Colleges and Schools Commission on Colleges ▪ Review of the University of Texas at San Antonio Statements for the Year Ended August 31, 2019, as Required by the Southern Association of Colleges and Schools Commission on Colleges ▪ Review of the University of Texas Health Science Center at Tyler Statements for the Year Ended August 31, 2019, as Required by the Southern Association of Colleges and Schools Commission on Colleges 	Financial Audits		
Audit of the University of Texas System Administration Headquarters Wireless Networks	Other Services	Postlethwaite & Netterville	40,000
Audit of the University of Texas/Texas A&M Investment Management Company Financial Statements for the Year Ended August 31, 2019	Financial Audits	Deloitte & Touche LLP	45,000
Audit of the University of Texas Rio Grande Valley Financial Statements for the Year Ended August 31, 2019. That delegation authority request also included:	Financial Audits	Deloitte & Touche LLP	130,000
<ul style="list-style-type: none"> ▪ Audit of the Federal Student Financial Aid Program at the University of Texas Rio Grande Valley for the 2018-2019 Federal Student Financial Assistance Year 	Financial Audits		
Contract Compliance Review and Accounts Payable Audit Recovery Services	Other Services	BSI Healthcare Audit Services LLC	0 ^e
The University of Texas System - Total			\$4,950,813
721 - The University of Texas at Austin			
Agreed-upon Procedures on the University of Texas at Austin's Athletic Program in Accordance with National Collegiate Athletic Association Requirements for the Year Ended August 31, 2018	Other Services	Maxwell Locke & Ritter LLP	\$29,000

Delegations of Authority Requested in Fiscal Year 2019

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Audit of the University of Texas at Austin Charities Aid Foundation Grant Financial Statements for the Year Ended August 31, 2018	Financial Audits	West, Davis & Company, LLP	6,500
Audit of KUT-FM Radio Station Financial Statements for the Year Ended August 31, 2018	Financial Audits	Gindler, Chappell, Morrison & Co. P.C.	14,200
The University of Texas at Austin - Total			\$49,700
724 - The University of Texas at El Paso			
Audit of KTEP-FM Radio Station Financial Statements for the Year Ended August 31, 2018	Financial Audits	Gibson, Ruddock, Patterson, LLC	\$14,700
The University of Texas at El Paso - Total			\$14,700
729 - The University of Texas Southwestern Medical Center			
Information Technology Audit Services	Internal Audit Services	Ernst & Young LLP	\$135,000
Agreed-upon Procedures on Cancer Prevention and Research Institute of Texas Grants for the Year Ended August 31, 2018	Other Services	Weaver and Tidwell, LLP	13,300
The University of Texas Southwestern Medical Center - Total			\$148,300
730 - University of Houston			
Agreed-upon Procedures on Cancer Prevention and Research Institute of Texas Grants for the Year Ended August 31, 2019	Other Services	BKD, LLP	\$48,760
Audit of the University of Houston Charter School Financial Statements for the Year Ended August 31, 2019	Financial Audits	Belt Harris Pechacek, LLLP	37,957
Agreed-upon Procedures on the University of Houston's Athletic Program in Accordance with National Collegiate Athletic Association Requirements for the Year Ended August 31, 2019	Other Services	Belt Harris Pechacek, LLLP	43,141
Audit of Houston Public Media Financial Statements for the Year Ended August 31, 2019	Financial Audits	BKD, LLP	130,140
University of Houston - Total			\$259,998
732 - Texas A&M University - Kingsville			
Agreed-upon Procedures on Texas A&M University - Kingsville's Athletic Department in Accordance with National Collegiate Athletic Association Requirements for the Year Ended August 31, 2018	Other Services	PricewaterhouseCoopers LLP	\$20,500
Texas A&M University - Kingsville - Total			\$20,500
733 - Texas Tech University			
Agreed-upon Procedures Related to the Texas Tech University Veterinary School Proposal Subject Matter	Other Services	Grant Thornton LLP	\$30,000
Texas Tech University - Total			\$30,000
734 - Lamar University			
Review of Lamar University's Financial Statements for the Year Ended August 31, 2019, as Required by the Southern Association of Colleges and Schools Commission on Colleges	Financial Audits	Belt Harris Pechacek, LLLP	\$41,000
Audit of KVLU-FM Radio Station Financial Statements for the Year Ended August 31, 2019. That delegation authority request also included:	Financial Audits	Mitchell Fontenote CPA, Inc.	25,500
▪ Agreed-upon Procedures on Lamar University's Athletic Program in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2019	Other Services	Weaver and Tidwell, LLP	

Delegations of Authority Requested in Fiscal Year 2019

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Program Specific Audit of Student Financial Aid for the Year Ended August 31, 2019	Financial Audits	Contract Pending ^b	25,000
Lamar University - Total			\$91,500
735 - Midwestern State University			
Internal Audit Services for the Federal Student Financial Aid Program at Midwestern State University for the Year Ended August 31, 2018	Internal Audit Services	Edgin, Parkman, Fleming & Fleming, PC	\$25,000
Midwestern State University - Total			\$25,000
738 - The University of Texas at Dallas			
Agreed-upon Procedures on Cancer Prevention and Research Institute of Texas Grants for the Year Ended August 31, 2018	Other Services	Weaver and Tidwell, LLP	\$9,000
The University of Texas at Dallas - Total			\$9,000
742 - The University of Texas of the Permian Basin			
Audit of the University of Texas of the Permian Basin STEM Academy Financial Statements for the Year Ended August 31, 2019	Financial Audits	Belt Harris Pechacek, LLLP	\$16,000
The University of Texas of the Permian Basin - Total			\$16,000
743 - The University of Texas at San Antonio			
Agreed-upon Procedures on Cancer Prevention and Research Institute of Texas Grants for the Year Ended August 31, 2018	Other Services	Weaver and Tidwell, LLP	\$9,000
The University of Texas at San Antonio - Total			\$9,000
744 - The University of Texas Health Science Center at Houston			
Audit of the Harris County Psychiatric Center Operating Fund, Practice Plan Fund, and Capital Improvement Project Plant Funds Financial Statements for the Year Ended August 31, 2018	Financial Audits	BKD, LLP	\$59,500
Audit of UT Physicians' Financial Statements for the Year Ended August 31, 2019	Financial Audits	Blazek & Vetterling	50,000
Audit of the University of Texas System Medical Foundation Financial Statements for the Year Ended August 31, 2018	Financial Audits	Blazek & Vetterling	18,500
Audit of the Harris County Psychiatric Center Operating Fund, Practice Plan Fund, and Capital Improvement Project Plant Funds Financial Statements for the Year Ended August 31, 2019	Financial Audits	BKD, LLP	55,000
The University of Texas Health Science Center at Houston - Total			\$183,000
745 - The University of Texas Health Science Center at San Antonio			
Internal Audit Services Related to Information Technology	Internal Audit Services	PricewaterhouseCoopers LLP	\$98,875
The University of Texas Health Science Center at San Antonio - Total			\$98,875
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, 2019	Financial Audits	Belt Harris Pechacek, LLLP	\$19,385
The University of Texas at Tyler - Total			\$19,385
751 - Texas A&M University - Commerce			
Audit of KETR-FM Radio Station Financial Statements for the Year Ended August 31, 2018	Financial Audits	Mike Ward Accounting & Financial Consulting, PLLC	\$10,000
Audit of Texas A&M University - Commerce Foundation Financial Statements for the Year Ended August 31, 2018	Financial Audits	BKD, LLP	11,200

Delegations of Authority Requested in Fiscal Year 2019

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Audit of the Alumni Association Financial Statements for the Year Ended August 31, 2018	Financial Audits	BKD, LLP	8,000
Agreed-upon Procedures on Texas A&M University - Commerce's Athletic Department in Accordance with National Collegiate Athletic Association Requirements for the Year Ended August 31, 2018	Other Services	PricewaterhouseCoopers LLP	20,000
Texas A&M University - Commerce - Total			\$49,200
752 - University of North Texas			
Agreed-upon Procedures on the University of North Texas's Athletic Program in Accordance with National Collegiate Athletic Association Requirements for the Year Ended August 31, 2018	Other Services	Merki & Associates, P.C.	\$4,500
University of North Texas - Total			\$4,500
753 - Sam Houston State University			
Agreed-upon Procedures on Sam Houston State University's Athletic Program in Accordance with National Collegiate Athletic Association Requirements for the Year Ended August 31, 2018	Other Services	Bickley, Prescott, Webb & Wells P.C.	\$4,200
Agreed-upon Procedures and Compilation Engagement Related to the Schedules of Forecasted Cash Receipts and Disbursements for the College of Osteopathic Medicine	Other Services	Beall Barclay & Company, PLC	10,000
Sam Houston State University - Total			\$14,200
754 - Texas State University			
Audit of the Federal Student Financial Aid Program at Texas State University for the Years Ended August 31, 2018, August 31, 2019, and August 31, 2020	Financial Audits	Montemayor Britton Bender PC	\$90,000
Agreed-upon Procedures Related to Texas State University's Compliance with Requirements of the Federal Transit Administration for the Fiscal Year Ended August 31, 2018	Other Services	Montemayor Britton Bender PC	12,000
Texas State University - Total			\$102,000
758 - Texas State University System			
Audit of Texas State University System Foundation Financial Statements for the Year Ended August 31, 2018	Financial Audits	Calhoun, Thomson + Matza, LLP	\$14,000
Internal Audit Services	Internal Audit Services	Deloitte & Touche LLP	50,000
Schedule of Qualified Rehabilitation Expenditures and Computation of Texas Historic Preservation Tax Credits	Other Services	Novogradac & Company LLP	30,000
Texas State University System - Total			\$94,000
760 - Texas A&M University - Corpus Christi			
Review of Texas A&M University - Corpus Christi Financial Statements for the Years Ended August 31, 2018 and August 31, 2019, as Required by the Southern Association of Colleges and Schools Commission on Colleges	Financial Audits	Belt Harris Pechacek, LLLP	\$40,538
Compliance Audit of Scholarships Awarded by Texas A&M University - Corpus Christi During Fall 2017, Spring 2018, and Summer I and II 2018	Other Services	Gowland, Strealy, Morales & Company, PLLC	32,500
Texas A&M University - Corpus Christi - Total			\$73,038

Delegations of Authority Requested in Fiscal Year 2019

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
763 - University of North Texas Health Science Center at Fort Worth			
Review of the University of North Texas Health Science Center at Fort Worth Financial Statements for the Year Ended August 31, 2018, as Required by the Southern Association of Colleges and Schools Commission on Colleges	Financial Audits	Grant Thornton LLP	\$20,000
Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2018	Financial Audits	BKD, LLP	20,000
University of North Texas Health Science Center at Fort Worth - Total			\$40,000
768 - Texas Tech University System			
Agreed-upon Procedures on Expenses of the Board of Regents, Chancellor, and Presidents for the Year Ended August 31, 2019. That delegation authority request also included:	Other Services	Bolinger, Segars, Gilbert & Moss, L.L.P. Grant Thornton LLP Armstrong, Backus & Co., LLP Oliver, Rainey & Wojtek LLP Baker Tilly Virchow Krause, LLP	\$241,500
▪ Audit of Texas Tech Foundation Inc. Financial Statements for the Year Ended August 31, 2019	Financial Audits		
▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2019	Financial Audits		
▪ Audit of Texas Tech Public Media Financial Statements for the Year Ended August 31, 2019	Financial Audits		
▪ Agreed-upon Procedures on Texas Tech University's Athletic Program in Accordance with National Collegiate Athletic Association Requirements for the Year Ended August 31, 2019	Other Services		
▪ Audit of Angelo State University Foundation, Inc. Financial Statements for the Year Ended August 31, 2019	Financial Audits		
▪ Audit of the Carr Foundation Financial Statements for the Year Ended August 31, 2019	Financial Audits		
▪ Agreed-upon Procedures on Angelo State University's Athletic Program in Accordance with National Collegiate Athletic Association Requirements for the Year Ended August 31, 2019	Other Services		
Internal Audit Services Related to Construction	Internal Audit Services	R.L. Townsend & Associates, LLC RSM US LLP CBIZ Risk & Advisory Services, LLC	150,000
Texas Tech University System - Total			\$391,500
769 - University of North Texas System			
Audit of the University of North Texas System Consolidated Financial Statements for the Year Ended August 31, 2018	Financial Audits	Grant Thornton LLP	\$425,000
University of North Texas System - Total			\$425,000
772 - School for the Deaf			
Internal Audit Services for Fiscal Year 2020	Internal Audit Services	Garza/Gonzalez & Associates	\$40,000

Delegations of Authority Requested in Fiscal Year 2019			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
School for the Deaf - Total			\$40,000
781 - Higher Education Coordinating Board			
Audit of Financial Statements for the Year Ended August 31, 2019	Financial Audits	KPMG LLP	\$199,200
Higher Education Coordinating Board - Total			\$199,200
783 - University of Houston System			
Information Technology Auditing Services for Fiscal Year 2019	Internal Audit Services	Schneider Downs & Co., Inc.	\$200,000
Audit of the University of Houston System Endowment Fund Financial Statements for the Year Ended August 31, 2019	Financial Audits	BKD, LLP	70,600
University of Houston System - Total			\$270,600
785 - The University of Texas Health Science Center at Tyler			
Audit of East Texas Quality Care Network Financial Statements for the Year Ended August 31, 2018	Financial Audits	CliftonLarsonAllen LLP	\$9,075
The University of Texas Health Science Center at Tyler - Total			\$9,075
789 - Lamar Institute of Technology			
Review of Lamar Institute of Technology's Financial Statements for the Year Ended August 31, 2019, as Required by the Southern Association of Colleges and Schools Commission on Colleges	Financial Audits	Contract Pending ^b	\$4,000
Lamar Institute of Technology - Total			\$4,000
Article III - Total			\$8,719,964
Article V - Public Safety and Criminal Justice			
401 - Military Department			
Internal Audit Services for Fiscal Year 2019	Internal Audit Services	McConnell & Jones LLP	\$165,000
Internal Audit Services for Fiscal Year 2020	Internal Audit Services	McConnell & Jones LLP	165,000
Military Department - Total			\$330,000
405 - Department of Public Safety			
Texas Division of Emergency Management Grant Compliance Monitoring	Other Services	CohnReznick, LLP	\$18,000,000
Department of Public Safety - Total			\$18,000,000
696 - Department of Criminal Justice			
Audit of Compliance with the Prison Rape Elimination Act	Other Services	PREA Auditors of America, LLC	\$186,830
Department of Criminal Justice - Total			\$186,830
Article V - Total			\$18,516,830
Article VI - Natural Resources			
305 - General Land Office			
Audit Activities Related to the General Land Office's Administration of Community Development Block Grants for Disaster Recovery	Other Services	Ernst & Young U.S. LLP	\$2,500,000

Delegations of Authority Requested in Fiscal Year 2019			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Audit of Services Associated with the General Land Office's Federal Emergency Management Agency-funded Disaster Recovery and Response Efforts for Hurricane Harvey	Other Services	Ernst & Young LLP	2,500,000
General Land Office - Total			\$5,000,000
554 - Animal Health Commission			
Internal Audit Services for Fiscal Year 2019	Internal Audit Services	Monday Rufus & Co., P.C.	\$50,000
Animal Health Commission - Total			\$50,000
592 - Soil and Water Conservation Board			
Internal Audit Services for Fiscal Year 2019	Internal Audit Services	Monday Rufus & Co., P.C.	\$22,000
Soil and Water Conservation Board - Total			\$22,000
Article VI - Total			\$5,072,000
Article VII - Business and Economic Development			
362 - Texas Lottery Commission			
Audit of Financial Statements for the Year Ended August 31, 2019	Financial Audits	Weaver and Tidwell, LLP	\$70,000
Internal Audit Services for Fiscal Year 2020	Internal Audit Services	McConnell & Jones LLP	300,000
Agreed-upon Procedures on Lottery Drawings for Fiscal Year 2020	Other Services	Weaver and Tidwell, LLP	825,017
Comprehensive Study and Evaluation of Lottery Security	Other Services	Berry Dunn McNeil & Parker, LLC	244,000
Texas Lottery Commission - Total			\$1,439,017
601 - Department of Transportation			
Audit of Financial Statements for the Year Ended August 31, 2019, of the Department of Transportation, the Texas Mobility Fund, the Central Texas Turnpike, and the Grand Parkway Transportation Corporation	Financial Audits	Crowe LLP	\$550,000
Department of Transportation - Total			\$550,000
608 - Department of Motor Vehicles			
Audit Services Related to the Unified Carrier Registration (UCR) Plan	Other Services	Weaver and Tidwell, LLP	\$10,000
Department of Motor Vehicles - Total			\$10,000
Article VII - Total			\$1,999,017
Article VIII - Regulatory			
312 - State Securities Board			
Internal Audit Services for Fiscal Year 2019	Internal Audit Services	Garza/Gonzalez & Associates	\$25,000
State Securities Board - Total			\$25,000
452 - Department of Licensing and Regulation			
Internal Audit Services for Fiscal Year 2019	Internal Audit Services	Weaver and Tidwell, LLP	\$67,500
Department of Licensing and Regulation- Total			\$67,500

Delegations of Authority Requested in Fiscal Year 2019			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
454 - Department of Insurance			
Internal Audit Services at the Office of Injured Employee Counsel for Fiscal Year 2020	Internal Audit Services	Garza/Gonzalez & Associates	\$200,000
Department of Insurance - Total			\$200,000
456 - State Board of Plumbing Examiners			
Internal Audit of the Revenues and Expenditures of the Texas State Board of Plumbing Examiners for Fiscal Year Ended August 31, 2018	Internal Audit Services	Monday Rufus & Co., P.C.	\$18,000
State Board of Plumbing Examiners - Total			\$18,000
473 - Public Utility Commission of Texas			
Audit of the Texas Universal Service Fund's Financial Statements for the Year Ended August 31, 2018. That delegation authority request also included:	Financial Audits	Hurlbert CPA, LLC	\$39,000
<ul style="list-style-type: none"> ▪ Statement of Standards for Attestation Engagements No. 16 Report on Internal Controls of the Texas Universal Service Fund Administrator for the Year Ended August 31, 2018 	Other Services		
Public Utility Commission of Texas - Total			\$39,000
476 - Racing Commission			
Internal Audit Services for Fiscal Year 2019	Internal Audit Services	Monday Rufus & Co., P.C.	\$15,000
Internal Audit Services for Fiscal Year 2020	Internal Audit Services	Monday Rufus & Co., P.C.	15,000
Racing Commission - Total			\$30,000
503 - Texas Medical Board			
Internal Audit Services for Fiscal Year 2020	Internal Audit Services	Weaver and Tidwell, LLP	\$27,000
Texas Medical Board - Total			\$27,000
507 - Board of Nursing			
Internal Audit Services for Fiscal Year 2020	Internal Audit Services	Monday Rufus & Co., P.C.	\$50,000
Board of Nursing - Total			\$50,000
Article VIII - Total			\$456,500
Other State Entities ^f			
014 - Texas A&M Research Foundation			
Audit of Financial Statements and OMB Circular A-133 Uniform Guidance Compliance Audit for the Year Ended August 31, 2019	Financial Audits	Ingram, Wallis & Co., P.C.	\$55,000
Texas A&M Research Foundation - Total			\$55,000
315 - Office of the Comptroller of Public Accounts - Prepaid Higher Education Tuition Board			
Audit of the Texas Prepaid Higher Education Tuition Board Financial Statements for the Year Ended August 31, 2019	Financial Audits	RSM US LLP	\$59,800
Office of the Comptroller - Prepaid Higher Education Tuition Board - Total			\$59,800

Delegations of Authority Requested in Fiscal Year 2019

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
329 - Real Estate Commission			
Internal Audit Services for Fiscal Year 2020	Internal Audit Services	McConnell & Jones LLP	\$27,494
Real Estate Commission - Total			\$27,494
449 - Finance Commission of Texas ^g			
Internal Audit Services for Fiscal Year 2020	Internal Audit Services	Contract Pending ^b	\$76,150
Finance Commission of Texas - Total			\$76,150
930 - Treasury Safekeeping Trust Company			
Audit of Financial Statements for the Year Ended August 31, 2019, for the Texas Treasury Safekeeping Trust Company, Texas Local Government Investment Pool, Texas Local Government Investment Pool Prime, and State Water Implementation Fund for Texas, and the Tobacco Settlement Permanent Trust Fund	Financial Audits	RSM US LLP	\$230,000
Treasury Safekeeping Trust Company - Total			\$230,000
Other State Entities - Total			\$448,444
Delegations of Authority Estimated Cost for Fiscal Year 2019 - Total			\$60,322,330

^a The entity reported that a contract related to this audit delegation will not be executed.

^b As of February 14, 2020, the entity self-reported that a contract had not been executed.

^c Some entities may submit several audit delegation requests annually for ongoing audit services. These projects may appear identical in the table; however, they are unique delegation requests.

^d The estimated cost of this delegation was determined by the State Auditor's Office based on the service fees listed in the executed contract.

^e The amounts submitted for the two delegation requests related to Contract Compliance and Accounts Payable Recovery Services at the University of Texas System are \$3,000,000 and \$500,000, respectively. However, the System reported that the delegations are for audit services under a master services agreement to be used by its participating institutions. The actual contract amounts will be determined once those institutions execute contracts under this agreement.

^f Other state entities are entities that are not included in the General Appropriations Act.

^g 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 requested include each of those three state entities.