



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

March 23, 2018

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, 2016, through August 31, 2017, the State Auditor's Office received and approved 119 delegation of authority requests from 63 state entities.

Some delegations of authority covered more than one project, the majority of which were for financial or internal audit services. The 119 delegation of authority requests included 134 projects with an estimated total cost of approximately \$49.9 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 internal audit activities. 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 (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), 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.

SAO Report No. 18-023

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 134 projects included in the 119 delegation of authority requests reviewed, 59 (44.0 percent) were for financial audits, 30 (22.4 percent) were for internal audit services, and 45 (33.6 percent) were for other services.

In addition, 15 state entities accounted for 76 (56.7 percent) of the 134 requested projects. Table 1 lists those 15 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, 2016, through August 31, 2017.

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:

- Quang Tran, CFE (Project Manager)
- Robert G. Kiker, CGAP (Quality Control Reviewer)
- Michael Stiernberg (Audit Manager)

Table 1

Fifteen State Entities With the Most Projects Requested Under Delegation of Authority Requests From September 1, 2016, through August 31, 2017	
State Entity	Number of Projects
The University of Texas System Administration	16
Health and Human Services Commission	11
The University of Texas at Austin	7
Lamar University	5
University of Houston	4
Texas Tech University System	4
Public Utility Commission of Texas	4
Stephen F. Austin State University	4
Texas Lottery Commission	3
The University of Texas Health Science Center at Houston	3
Texas State University System	3
Sam Houston State University	3
Cancer Prevention and Research Institute of Texas	3
Texas A&M University - Commerce	3
Texas Southern University	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

March 23, 2018

Page 3

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 2017

Table 2 lists the approved delegations of authority that 63 entities requested between September 1, 2016, and August 31, 2017. 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 2017			
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 2017	Internal Audit Services	Garza/Gonzalez & Associates	\$51,525
Library and Archives Commission - Total			\$51,525
313 - Department of Information Resources			
Internal Audit Services Related to Network Security Operations	Internal Audit Services	Ernst & Young LLP	\$180,000
Audit of the Texas NICUSA, LLC Financial Statements for the Year Ended December 31, 2016	Financial Audits	Horne LLP	119,000
Department of Information Resources - Total			\$299,000
403 - Veterans Commission			
Internal Audit Services for Fiscal Year 2017	Internal Audit Services	Jansen & Gregorczyk Certified Public Accountants	\$43,400
Veterans Commission - Total			\$43,400
477 - Commission on State Emergency Communications			
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	Jansen & Gregorczyk Certified Public Accountants	\$35,000
Commission on State Emergency Communications - Total			\$35,000
542 - Cancer Prevention and Research Institute of Texas			
Internal Audit Services for Fiscal Year 2017	Internal Audit Services	Weaver and Tidwell, LLP	\$236,250
Audit of Financial Statements for the Year Ended August 31, 2017	Financial Audits	McConnell & Jones LLP	40,000
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	Weaver and Tidwell, LLP	243,750
Cancer Prevention and Research Institute of Texas - Total			\$520,000
Article I - Total			\$948,925

Delegations of Authority Requested in Fiscal Year 2017			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
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 2017	Other Services	Health Management Systems, Inc.	\$1 ^a
Texas Delivery System Reform Incentive Payments Program Project Validation Monitoring	Other Services	Myers and Stauffer LC	6,500,000
Retrospective Cost Settlement Audits of the Eligibility Support Services, Children's Health Insurance Program (CHIP), and Enrollment Broker Program	Other Services	DK Partners, PC	1,260,000
Performance Audits of Managed Care Organizations	Other Services	Myers and Stauffer LC DK Partners, PC	6,040,833
Retrospective Cost Settlement Audits of the Medicaid Claims Primary Care Case Management, Pharmacy Claims, and Rebate Administration Contracts	Other Services	DK Partners, PC	199,193
Service Organization Controls (SOC) 1 Examination of the Texas Medicaid Claims Administration System for the Year Ended August 31, 2016	Other Services	Myers and Stauffer LC	150,000
An Audit of the Data Broker Services Provided Between August 31, 2012, through March 31, 2017	Other Services	Eide Bailly LLP	450,000
Disproportionate Share Hospital Program Audits for Program Years 2013 through 2015 and Final Uncompensated Care Reconciliations	Other Services	Myers and Stauffer LC	3,600,000
Agreed-upon Procedures on Medicaid and CHIP Managed Care Financial Statistical Reports	Other Services	DK Partners, PC Myers and Stauffer LC	5,800,000
Agreed-upon Procedures on Medicaid Patient Transportation Services Provided by the Medical Transportation Program	Other Services	DK Partners, PC	2,600,000
Agreed-upon Procedures on Electronic Health Records Incentive Payments	Other Services	DK Partners, PC	526,104
Health and Human Services Commission - Total			\$27,126,131
Article II - Total			\$27,126,131
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, 2017	Financial Audits	Grant Thornton LLP	\$52,550
Teacher Retirement System - Total			\$52,550
506 - The University of Texas M.D. Anderson Cancer Center			
Internal Audit Services Related to Information Technology	Internal Audit Services	PricewaterhouseCoopers LLP	\$575,000
Internal Audit Services Related to Construction	Internal Audit Services	Protiviti Inc.	50,000
The University of Texas M.D. Anderson Cancer Center - Total			\$625,000
555 - Texas A&M AgriLife Extension Service			
Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2016	Financial Audits	Ingram, Wallis & Co., P.C.	\$6,750
Texas A&M AgriLife Extension Service - Total			\$6,750

Delegations of Authority Requested in Fiscal Year 2017			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
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, 2016	Financial Audits	Ingram, Wallis & Co., P.C.	\$6,250
Texas A&M AgriLife Research - Total			\$6,250
711 - Texas A&M University			
Audit of the Representacion de Texas A&M University en la Republica Mexicana A.C. Financial Statements for the Year Ended December 31, 2016	Financial Audits	Cortina Lopez, Arnaez Y Asociados, S.C.	\$10,000
Texas A&M University - Total			\$10,000
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, 2016	Financial Audits	Ingram, Wallis & Co., P.C.	\$5,750
Texas A&M Engineering Experiment Station - Total			\$5,750
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, 2016	Other Services	Weaver and Tidwell, LLP	\$9,500
The University of Texas at Arlington - Total			\$9,500
717 - Texas Southern University			
Audit of KTSU-FM Radio Station Financial Statements for the Year Ended August 31, 2016	Financial Audits	J. Walker & Company, APC	\$11,500
Agreed-upon Procedures on Texas Southern University's Athletic Program in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2016	Other Services	J. Walker & Company, APC	12,375
Audit of Financial Statements for the Year Ended August 31, 2017	Financial Audits	Whitley Penn LLP	77,620
Texas Southern University - Total			\$101,495
720 - The University of Texas System			
Contract Compliance Review and Accounts Payable Recovery Services	Other Services	BSI Healthcare Audit Services LLC	\$3,000,000
Audit of the University of Texas System Consolidated Financial Statements for the Year Ended August 31, 2017. That delegation authority request also included:	Financial Audits	Deloitte & Touche LLP	3,217,330
<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, 2017 ▪ Audit of the University of Texas Medical Branch at Galveston Financial Statements for the Year Ended August 31, 2017 ▪ Audit of the University of Texas Southwestern Medical Center Financial Statements for the Year Ended August 31, 2017 ▪ Audit of the University of Texas at Austin Financial Statements for the Year Ended August 31, 2017 ▪ Audit of the General Endowment Fund Financial Statements, Managed by the University of Texas/Texas A&M Investment Management Company, for the Year Ended August 31, 2017 ▪ Audit of the Long Term Fund Financial Statements, Managed by the University of Texas/Texas A&M Investment Management Company, for the Year Ended August 31, 2017 	Financial Audits	Deloitte & Touche LLP	

Delegations of Authority Requested in Fiscal Year 2017			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
▪ Audit of the Intermediate Term Fund Financial Statements, Managed by the University of Texas/Texas A&M Investment Management Company, for the Year Ended August 31, 2017	Financial Audits	Deloitte & Touche LLP	
▪ Audit of the Permanent Health Fund Financial Statements, Managed by the University of Texas/Texas A&M Investment Management Company, for the Year Ended August 31, 2017	Financial Audits	Deloitte & Touche LLP	
▪ Audit of the Permanent University Fund Financial Statements, Managed by the University of Texas/Texas A&M Investment Management Company, for the Year Ended August 31, 2017	Financial Audits	Deloitte & Touche LLP	
▪ Review of the University of Texas at Dallas Financial Statements for the Year Ended August 31, 2017, as Required by the Southern Association of Colleges and Schools Commission on Colleges	Other Services	Deloitte & Touche LLP	
▪ Review of the University of Texas Health Science Center at San Antonio Financial Statements for the Year Ended August 31, 2017, as Required by the Southern Association of Colleges and Schools Commission on Colleges	Other Services	Deloitte & Touche LLP	
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 El Paso	Financial Audits	Deloitte & Touche LLP	27,609
Audit of the University of Texas Southwestern Medical Center Hospitals Consolidated Financial Statements for the Year Ended August 31, 2017	Financial Audits	Deloitte & Touche LLP	100,000
Audit of the University of Texas/Texas A&M Investment Management Company Financial Statements for the Year Ended August 31, 2017	Financial Audits	Deloitte & Touche LLP	42,000
The University of Texas System - Total			\$6,386,939
721 - The University of Texas at Austin			
Audit of the University of Texas Elementary School Financial Statements for the Year Ended August 31, 2016	Financial Audits	Belt Harris Pechacek, LLLP	\$11,770
Audit of the University Charter School Financial Statements for the Year Ended August 31, 2016	Financial Audits	West, Davis & Company, LLP	15,000
Agreed-upon Procedures on the University of Texas at Austin's Athletic Program in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2016	Other Services	Maxwell Locke & Ritter LLP	39,000
Audit of KUT-FM Radio Station Financial Statements for the Year Ended August 31, 2016	Financial Audits	Gindler, Chappell, Morrison & Co., P.C.	12,200
Audit of the University Interscholastic League Financial Statements for the Years Ended August 31, 2015 and August 31, 2016	Financial Audits	West, Davis & Company, LLP	39,000
Audit of the University of Texas Elementary School Financial Statements for the Year Ended August 31, 2017	Financial Audits	Belt Harris Pechacek, LLLP	14,950
Audit of KUT-FM Radio Station Financial Statements for the Year Ended August 31, 2017	Financial Audits	Gindler, Chappell, Morrison & Co., P.C.	12,800
The University of Texas at Austin - Total			\$144,720
724 - The University of Texas at El Paso			
Audit of KTEP-FM Radio Station Financial Statements for the Year Ended August 31, 2017	Financial Audits	Gibson Ruddock Patterson LLC	\$14,500
The University of Texas at El Paso - Total			\$14,500

Delegations of Authority Requested in Fiscal Year 2017			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
729 - The University of Texas Southwestern Medical Center			
Agreed-upon Procedures on Cancer Prevention and Research Institute of Texas Grants for the Year Ended August 31, 2016	Other Services	Weaver and Tidwell, LLP	\$16,000
The University of Texas Southwestern Medical Center - Total			\$16,000
730 - University of Houston			
Agreed-upon Procedures on Cancer Prevention and Research Institute of Texas Grants for the Year Ended August 31, 2016	Other Services	BKD, LLP	\$42,760
Audit of the University of Houston Charter School Financial Statements for the Year Ended August 31, 2016	Financial Audits	Belt Harris Pechacek, LLLP	28,110
Agreed-upon Procedures on the University of Houston's Athletic Program in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2016	Other Services	Belt Harris Pechacek, LLLP	38,040
Audit of Houston Public Media Financial Statements for the Year Ended August 31, 2016	Financial Audits	BKD, LLP	106,520
University of Houston - Total			\$215,430
733 - Texas Tech University			
Audit of Texas Tech Public Media Financial Statements for the Year Ended August 31, 2016	Financial Audits	Davis Kinard & Co, PC	\$27,250
Agreed-upon Procedures on Texas Tech University's Athletic Program in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2016	Other Services	Grant Thornton LLP	18,500
Texas Tech University - Total			\$45,750
734 - Lamar University			
Audit of KVLU-FM Radio Station Financial Statements for the Year Ended August 31, 2016. That delegation authority request also included:	Financial Audits	Wathen, DeShong, & Juncker, L.L.P.	\$30,000
<ul style="list-style-type: none"> ▪ Agreed-upon Procedures on Lamar University's Athletic Program in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2016 	Other Services	Weaver and Tidwell, LLP	
Review of Lamar University's Financial Statements for the Year Ended August 31, 2017, as Required by the Southern Association of Colleges and Schools Commission on Colleges	Other Services	Belt Harris Pechacek, LLLP	100,000
Audit of KVLU-FM Radio Station Financial Statements for the Year Ended August 31, 2017. That delegation authority request also included:	Financial Audits	Mitchell T. Fontenote CPA, Inc.	32,000
<ul style="list-style-type: none"> ▪ Agreed-upon Procedures on Lamar University's Athletic Program in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2017 	Other Services	Weaver and Tidwell, LLP	
Lamar University - Total			\$162,000
735 - Midwestern State University			
Audits of Compliance with Title IX of the Education Amendments of 1972 to the Civil Rights Act of 1964 and the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act	Other Services	D. Stafford & Associates LLC	\$39,600
Agreed-upon Procedures on Midwestern State University's Athletic Program in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2017	Other Services	Edgin, Parkman, Fleming & Fleming, PC	7,500
Midwestern State University - Total			\$47,100

Delegations of Authority Requested in Fiscal Year 2017			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
737 - Angelo State University			
Agreed-upon Procedures on Angelo State University's Athletic Program in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2016	Other Services	Armstrong, Backus & Co., LLP	\$10,000
Angelo State University - Total			\$10,000
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, 2016	Financial Audits	Belt Harris Pechacek, LLLP	\$13,900
The University of Texas of the Permian Basin - Total			\$13,900
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, 2016	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 Financial Statements 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, 2016	Financial Audits	BKD, LLP	\$59,500
Audit of UT Physicians' Financial Statements for the Year Ended August 31, 2017	Financial Audits	Blazek & Vetterling	42,000
Audit of the Financial Statements 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, 2017	Financial Audits	BKD, LLP	59,500
The University of Texas Health Science Center at Houston - Total			\$161,000
751 - Texas A&M University - Commerce			
Audit of KETR-FM Radio Station Financial Statements for the Year Ended August 31, 2016	Financial Audits	Conway Company CPAs, P.C.	\$10,000
Audit of the Alumni Association Financial Statements for the Year Ended August 31, 2016	Financial Audits	BKD, LLP	9,000
Audit of Texas A&M University - Commerce Foundation Financial Statements for the Year Ended August 31, 2016	Financial Audits	BKD, LLP	10,000
Texas A&M University - Commerce - Total			\$29,000
752 - University of North Texas			
Agreed-upon Procedures on the University of North Texas's Athletic Program in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2016	Other Services	Merki & Associates, P.C.	\$4,000
University of North Texas - Total			\$4,000
753 - Sam Houston State University			
Agreed-upon Procedures on Sam Houston State University's Athletic Program in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2016	Other Services	Bickley, Prescott, Webb & Wells, P.C.	\$3,795
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

Delegations of Authority Requested in Fiscal Year 2017			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Agreed-upon Procedures on Sam Houston State University's Athletic Program in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2017	Other Services	Bickley, Prescott, Webb & Wells, P.C.	4,000
Sam Houston State University - Total			\$17,795
755 - Stephen F. Austin State University			
Internal Audit Services Related to the Stephen F. Austin State University's Information Security Program for Fiscal Year 2017	Internal Audit Services	Myers and Stauffer LC	\$15,000
Audit of the Stephen F. Austin State University Charter School Financial Statements for the Year Ended August 31, 2017	Financial Audits	Goff & Herrington, P.C.	7,500
Agreed-upon Procedures on Stephen F. Austin State University's Athletic Program in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2017	Other Services	Goff & Herrington, P.C.	6,000
Internal Audit Services Related to Information Technology for Fiscal Year 2018	Internal Audit Services	Myers and Stauffer LC	50,000
Stephen F. Austin State University - Total			\$78,500
756 - Sul Ross State University			
Review of Financial Statements for the Year Ended August 31, 2017, as Required by the Southern Association of Colleges and Schools Commission on Colleges	Other Services	BKD, LLP	\$60,000
Sul Ross State University - Total			\$60,000
757 - West Texas A&M University			
Agreed-upon Procedures on West Texas A&M University's Athletic Program in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2016	Other Services	PricewaterhouseCoopers LLP	\$19,500
Agreed-upon Procedures in Relation to Compliance With Federal Perkins Loan Program Liquidation	Other Services	RPC CPAs + Consultants, LLP	6,000
West Texas A&M University - Total			\$25,500
758 - Texas State University System			
Internal Audit Services	Internal Audit Services	Deloitte & Touche LLP	\$50,000
Construction Audit Services	Other Services	RSM US LLP	50,000
Audit of Texas State University's Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Years Ended August 31, 2016, and August 31, 2017	Financial Audits	Montemayor Britton Bender PC	35,000
Texas State University System - Total			\$135,000
763 - University of North Texas Health Science Center at Fort Worth			
Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2016	Financial Audits	BKD, LLP	\$15,000
Audit of Faculty Development Center Grant Expenditures for the Year Ended August 31, 2016	Financial Audits	PricewaterhouseCoopers LLP	15,000
University of North Texas Health Science Center at Fort Worth - Total			\$30,000

Delegations of Authority Requested in Fiscal Year 2017			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
768 - Texas Tech University System			
Audit of Texas Tech Foundation Inc. Financial Statements for the Year Ended August 31, 2016	Financial Audits	Davis Kinard & Co, PC	\$30,000
Internal Audit Services Related to Construction	Internal Audit Services	CBIZ Risk & Advisory Services, LLC RSM US LLP	150,000
Agreed-upon Procedures on Expenses of the Board of Regents, Chancellor, and Presidents	Other Services	Bolinger, Segars, Gilbert & Moss, L.L.P.	24,000
Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2016	Financial Audits	Bolinger, Segars, Gilbert & Moss, L.L.P.	30,000
Texas Tech University System - Total			\$234,000
769 - University of North Texas System			
Audit of the University of North Texas System Consolidated Financial Statements for the Year Ended August 31, 2016	Financial Audits	Grant Thornton LLP	\$415,000
University of North Texas System - Total			\$415,000
772 - School for the Deaf			
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	Garza/Gonzalez & Associates	\$38,100
School for the Deaf - Total			\$38,100
781 - Higher Education Coordinating Board			
Audit of Financial Statements for the Year Ended August 31, 2017	Financial Audits	KPMG LLP	\$177,080
Higher Education Coordinating Board - Total			\$177,080
783 - University of Houston System			
Audit of the University of Houston Endowment Fund Financial Statements for the Year Ended August 31, 2016	Financial Audits	BKD, LLP	\$68,560
University of Houston System - Total			\$68,560
Article III - Total			\$9,357,169
Article V - Public Safety and Criminal Justice			
401 - Texas Military Department			
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	McConnell & Jones LLP	\$165,000
Texas Military Department - Total			\$165,000
405 - Department of Public Safety			
Audit of Federal Emergency Management Public Assistance Grants	Other Services	Cohn Reznick, LLP Ernst & Young LLP Grant Thornton LLP Horne LLP	\$8,500,000
Department of Public Safety - Total			\$8,500,000

Delegations of Authority Requested in Fiscal Year 2017			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
696 - Department of Criminal Justice			
Audit of Compliance with the Prison Rape Elimination Act	Other Services	American Correctional Association	\$443,460
Department of Criminal Justice - Total			\$443,460
Article V - Total			\$9,108,460
Article VI - Natural Resources			
305 - General Land Office			
Agreed-upon Procedures Related to the Accuracy of Remittances Made by State Power Program Contractors	Other Services	Baker Tilly Virchow Krause, LLP	\$30,000
General Land Office - Total			\$30,000
551 - Department of Agriculture			
Audit of the Texas Agricultural Finance Authority Financial Statements for the Year Ended August 31, 2017	Financial Audits	Martinez, Rosario & Company, LLP	\$13,500
Department of Agriculture - Total			\$13,500
554 - Animal Health Commission			
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	Monday Rufus & Co., P.C.	\$49,173
Animal Health Commission - Total			\$49,173
582 - Commission on Environmental Quality			
An Audit of the Deepwater Horizon Restoration Natural Resource Damage Assessment Funds Received by the Texas Trustees as a Result of the Deepwater Horizon Oil Spill for the Period April 20, 2011, through December 31, 2016 ^b	Financial Audits	McConnell & Jones LLP	\$50,000
Commission on Environmental Quality - Total			\$50,000
592 - Soil and Water Conservation Board			
Internal Audit Services for Fiscal Year 2017	Internal Audit Services	Jansen & Gregorczyk Certified Public Accountants	\$26,000
Soil and Water Conservation Board - Total			\$26,000
Article VI - Total			\$168,673
Article VII - Business and Economic Development			
362 - Texas Lottery Commission			
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	McConnell & Jones LLP	\$300,000
Audit of Financial Statements for the Year Ended August 31, 2017	Financial Audits	Weaver and Tidwell, LLP	71,976
Agreed-upon Procedures on Lottery Drawings for Fiscal Year 2018	Other Services	DK Partners, PC	1,041,736
Texas Lottery Commission - Total			\$1,413,712

Delegations of Authority Requested in Fiscal Year 2017			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
601 - Department of Transportation			
Audit of Financial Statements for the Year Ended August 31, 2017, of the Department of Transportation, the Texas Mobility Fund, the Central Texas Turnpike, and the Grand Parkway Transportation Corporation	Financial Audits	Crowe Horwath LLP	\$550,000
Department of Transportation - Total			\$550,000
608 - Department of Motor Vehicles			
Staff Augmentation for Internal Audit Follow-Up	Internal Audit Services	TIBH Industries, Inc.	\$9,000
Department of Motor Vehicles - Total			\$9,000
Article VII - Total			\$1,972,712
Article VIII - Regulatory			
312 - State Securities Board			
Internal Audit Services for Fiscal Year 2017	Internal Audit Services	Garza/Gonzalez & Associates	\$25,000
State Securities Board - Total			\$25,000
360 - State Office of Administrative Hearings			
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	Garza/Gonzalez & Associates	\$30,000
State Office of Administrative Hearings - Total			\$30,000
448 - Office of Injured Employee Counsel			
Internal Audit Services for Fiscal Year 2017	Internal Audit Services	McConnell & Jones LLP	\$40,000
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	McConnell & Jones LLP	39,453
Office of Injured Employee Counsel - Total			\$79,453
452 - Department of Licensing and Regulation			
Internal Audit Services for Fiscal Year 2017	Internal Audit Services	Garza/Gonzalez & Associates	\$30,000
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	Weaver and Tidwell, LLP	67,500
Department of Licensing and Regulation - Total			\$97,500
473 - Public Utility Commission of Texas			
Audit of the Texas Universal Service Fund's Financial Statements for the Year Ended August 31, 2016. That delegation authority request also included:	Financial Audits	Hurlbert CPA, LLC	\$54,000
<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, 2016 	Other Services	Hurlbert CPA, LLC	

Delegations of Authority Requested in Fiscal Year 2017			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Audit of the Texas Universal Service Fund Financial Statements for the Year Ended August 31, 2017. That delegation authority request also included:	Financial Audits	Hurlbert CPA, LLC	240,000
<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, 2017 	Other Services	Hurlbert CPA, LLC	
Public Utility Commission of Texas - Total			\$294,000
507 - Texas Board of Nursing			
Internal Audit Services for Fiscal Year 2017	Internal Audit Services	E.J. Stepp, CPA	\$25,000
An Audit of the Texas Peer Assistance Program for Nurses	Other Services	Citizen Advocacy Center	30,000
Texas Board of Nursing - Total			\$55,000
515 - Board of Pharmacy			
Internal Audit Services for Fiscal Year 2017	Internal Audit Services	Garza/Gonzalez & Associates	\$25,000
Board of Pharmacy - Total			\$25,000
Article VIII - Total			\$605,953
Other State Entities ^c			
014 - Texas A&M Research Foundation			
Audit of Financial Statements for the Year Ended August 31, 2017	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			
Audit of the Texas Prepaid Higher Education Tuition Board Financial Statements for the Year Ended August 31, 2017	Financial Audits	RSM US LLP	\$225,000
Office of the Comptroller of Public Accounts - Prepaid Higher Education Tuition Board - Total			\$225,000
329 - Real Estate Commission			
Internal Audit Services for Fiscal Year 2017	Internal Audit Services	McConnell & Jones LLP	\$35,109
Real Estate Commission - Total			\$35,109
449 - Finance Commission of Texas ^d			
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	Garza/Gonzalez & Associates	\$64,930
Finance Commission of Texas - Total			\$64,930
457 - Board of Public Accountancy			
Internal Audit Services for Fiscal Year 2017	Internal Audit Services	Monday Rufus & Co., P.C.	\$25,000
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	Monday Rufus & Co., P.C.	25,000
Board of Public Accountancy - Total			\$50,000

Delegations of Authority Requested in Fiscal Year 2017			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
930 - Treasury Safekeeping Trust Company			
Audit of Financial Statements for the Year Ended August 31, 2017, 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 Audit of Financial Statements for the Year Ended December 31, 2017, for the Tobacco Settlement Permanent Trust Fund	Financial Audits	RSM US LLP	\$250,000
Treasury Safekeeping Trust Company - Total			\$250,000
Other State Entities - Total			\$685,039
Delegations of Authority Estimated Cost for Fiscal Year 2017 - Total			\$49,973,062

^a The \$1 estimated cost reported by the Health and Human Services Commission 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.

^b The Commission on Environmental Quality submitted this request on behalf of multiple state agencies that received Deepwater Horizon Restoration Natural Resource Damage Assessment funds, which includes the Commission on Environmental Quality, the Parks and Wildlife Department, and the General Land Office, collectively referred to as the "Texas Trustees."

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

^d 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.